

December 2, 2008



**TRANSCRIPT
December 2, 2008**

MONTGOMERY COUNTY COUNCIL

PRESENT

Councilmember Michael Knapp, President	
Councilmember Roger Berliner	Councilmember Marc Elrich
Councilmember Nancy Floreen	Councilmember George Leventhal
Council Vice President Andrews	Councilmember Ervin
Councilmember Praisner	Councilmember Trachtenberg



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1 COUNCIL PRESIDENT KNAPP:

2 Good morning, everyone. Welcome to the County Council. We begin our morning with an
3 invocation from Imam Faizul Khan, Islamic Society of the Washington Area, Silver Spring.
4 And he was just telling me before we got started that he's been coming up doing our
5 opening invocations for nearly 10 years now. And so, I told him we need as many prayers
6 as we can get. So, we thank him very much for coming to join us and we appreciate his
7 continuousness and consistency. I would ask everyone to please rise.

8
9 IMAM FAIZUL KHAN:

10 [Praying in foreign language] O my servants, you call upon me, and I will answer your
11 prayer. Let us pray and ask the Lord to bless this gathering. [Praying in foreign language]
12 Almighty Allah, the God of Abraham, and Moses, and Jesus, and Mohammed, Lord and
13 Master of all lives, through Thy benevolent grace and mercy, we have assembled here
14 this morning in the spirit of joy and optimism to express our thankfulness and seek Thy
15 blessings as we gather to execute the affairs of the Montgomery County, Maryland. O
16 most Merciful God, we beseech Thy help in all of our daily endeavors and express our
17 sincere thanks for the kindness you have shown us. Bless this gathering, O Lord, and
18 bless and protect our leaders. And help us to make our county a meeting ground of
19 cultures and races, where women and men of different talents may find in each other the
20 fulfilment of their common humanity. We beseech Thy help, Allah, to promote the noble
21 objectives of the Council and ask that you guide to righteousness all those that will serve
22 and benefit from Thy assistance. O Most Merciful Lord, we seek that you accept our
23 prayers. Amen.

24
25 COUNCIL PRESIDENT KNAPP:

26 Amen. Thank you, Imam. Now, I turn to a presentation by Councilmember Berliner,
27 proclamation and recognition of the work of Mobile Med.

28
29 COUNCILMEMBER BERLINER:

30 And if I could ask my colleagues from the HHS Committee to join me, I would--Ahem.

31
32 WOMAN:

33 [INDISTINCT]

34
35 [LAUGHTER]

36
37 COUNCILMEMBER BERLINER:

38 I want to share with my colleagues and for those watching a magazine that prominently
39 discussed on its cover the fine work of Mobile Med and particularly of the nurses that
40 make Mobile Med happen, the incredible dedication of the nurses of Mobile Med to care
41 for those who don't have insurance. And, folks, as we all appreciate the need for this kind
42 of volunteer effort that is going to be more than ever. It seemed like a very appropriate

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1 time to honor the incredible work that Mobile Med who, for many years, has been at the
2 forefront of taking care of those without health insurance and providing quality care. So,
3 we are very grateful to you for your work. And I know that my colleagues and, certainly,
4 the chairman of the HHS Committee with his commitment to the uninsured joins me in
5 saying thank you. So, let me read this proclamation, and then I'll turn to my colleagues to
6 see if they would care to add anything. "The County Council of Montgomery County,
7 Maryland. Whereas access to adequate and appropriate medical care substantially affects
8 one's quality of life, and whereas for 40 years, the mission of Mobile Med's volunteers,
9 supporters, and staff has been to provide quality health care to the uninsured, low-income,
10 working, poor, and homeless in Montgomery County. And whereas Mobile Med's goal is to
11 reduce the barriers often encountered in accessing health care such as long waiting lines
12 for appointments, providers who don't understand cultural issues, paperwork that is
13 difficult to understand, and plans of care that are difficult to implement due to high cost or
14 other issues. And whereas thanks to partners Adventist Health Care, both Shady Grove
15 Adventist Hospital and Washington Adventist Hospital, the Archdiocese of Washington,
16 Project ACCESS and Suburban Hospital, Mobile Med patients are provided with
17 laboratory work and testing, diagnostic radiology procedures, and specialty care at free or
18 low cost to patients. And whereas through the years, highly qualified physicians and
19 nurses have selflessly volunteered their time and talent, providing numerous volunteer
20 hours to Mobile Med and the people it serves. And whereas the collaborative partnerships
21 Mobile Med has formed with other health-care providers around the county is a testament
22 to the power of creative problem-solving, collective goodwill, and Mobile Med's desire to
23 serve those in need. Now, therefore, be it resolved that the County Council of
24 Montgomery County, Maryland hereby salutes Mobile Med. And be it further resolved that
25 the County Council commends the RNs, MPs, the medical directors, medical assistants,
26 volunteer doctors, and drivers who double as registrars, medical record clerk and
27 receptionists of Mobile Med for their commitment to the physical health and well-being of
28 our residents. Signed the 2nd day of December in the Year 2008, Michael J. Knapp,
29 Council President." All right. Then, let me ask if any of you would care to say anything.
30 [LAUGHTER] It's shocking. You stand there and hold that.

31
32 **BOB SPECTOR:**

33 First, thank you to you and to the County Council and the Health and Human Services
34 Committee, but even, equally, if not more so, how proud I am of the staff here today and
35 of their colleagues and how grateful we are to have them working for the most vulnerable
36 in our community. I know that none of what Mobile Med has done these past 40 years
37 would be possible without the dedication and commitment of a staff like this. I'd also like to
38 publicly state that none of what we do would be possible without the support of the County
39 Council and the County Government who just makes it all possible not only with their
40 proclamations and their dollars, but more importantly with their support. So, thank you all.

41
42 **COUNCILMEMBER BERLINER:**

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1 Thank you. We need to do our little thing here.
2
3 COUNCILMEMBER LEVENTHAL:
4 If you want to stand in the middle--
5
6 COUNCILMEMBER BERLINER:
7 Actually, yeah, you stand in the middle.
8
9 UNKNOWN SPEAKER:
10 If you can actually make like two lines.
11
12 UNKNOWN SPEAKER:
13 Yeah.
14
15 UNKNOWN SPEAKER:
16 Short ladies. I'll get up. I'm short.
17
18 COUNCILMEMBER BERLINER:
19 You'll get up? You go up front. We need 2 lines here. Actually, if you stand to the side,
20 too, like this.
21
22 UNKNOWN SPEAKER:
23 Yeah, that would be great.
24
25 COUNCILMEMBER BERLINER:
26 Does that work?
27
28 UNKNOWN SPEAKER:
29 Make sure I can see you. Don't get blocked by anybody. Okay, we're going to take a
30 bunch of these. I guess you wouldn't be mad. Okay, a couple more. Big smiles. One
31 holiday smile then. Looks great. Thank you.
32
33 UNKNOWN SPEAKER:
34 Thank you so much.
35
36 UNKNOWN SPEAKER:
37 Thank you so much.
38
39 UNKNOWN SPEAKER:
40 Keep working.
41
42 COUNCIL PRESIDENT KNAPP:



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1 Thank you, Councilmember Berliner. We now have a proclamation in recognition of the
2 20th Anniversary of The Dwelling Place which I will present. I would ask Miriam Gandell,
3 Bill Herd?????, Phil Jacobs????? to come join me. As you just heard Councilmember
4 Berliner talk about the efforts of Mobile Med, one of the things that makes Montgomery
5 County a fabulous place to live is the fact that our residents realize that we need to all do
6 things to take care of everyone. And so, we see what the folks who volunteer at Mobile
7 Med have done. I was reminded of this. I went to the 100th Anniversary of the Family
8 Services Agency a week and a half ago, which was started by some folks in
9 congregations in Sandy Spring and Rockville to reach out to address the needs of our
10 community more than a hundred years ago. And there are examples of this that takes
11 place throughout our county. And it is my pleasure to recognize today The Dwelling Place,
12 which is an organization that provides transitional housing for families who are coming out
13 of homelessness. And it is, I guess, 5 years ago now, I happened to be sitting at the
14 wrong breakfast and one of the Board members said, "You know, we really need new
15 people on the Board. You're not doing anything. You're just new on the Council so why
16 don't you join our Board?" And so I did for a very short time and then continued to serve
17 more of a volunteer and honorary capacity since then since there aren't enough hours, but
18 what always struck me--this organization really helps families to move from the instability
19 that many families see especially in difficult economic times and as they move from place
20 to place from someone's floor to someone else's floor. You know, it is stunning to me the
21 number of families who are out there who we don't see that are homeless--we don't see a
22 lot of homelessness in Montgomery County because it doesn't show up as it does in big
23 cities where you see people sleeping on grates and it becomes very apparent and we say,
24 wow, we have a problem. It is single moms and their kids who are moving from place to
25 place, staying with relatives, staying with friends. And it becomes a very difficult thing for
26 people to do. And The Dwelling Place is a place that has stepped up and provides the
27 stability for the family to come back together again. And I was struck once--we actually
28 had a fight at one of the Board meetings. And it was interesting how the fight occurred in
29 which one of the Board members knew someone who worked for the hospitality industry,
30 and had many of the little small soaps and shampoos that could be contributed and was
31 going to bring them in and thought this was a great thing, and on its face, it would be. And
32 a number of the Board members said, "You know what? We don't want to do that." The
33 Executive Director at the time said, "No, we don't want that." And he struggled with why.
34 And someone finally said, "Look, for the first time in however long this family will have
35 been unstable, they now have their own bathroom. They now have their own shampoo
36 and their own soap. They can actually have their own things. And it may sound mundane
37 and it may sound simple, but to make sure that it's something that they want and not
38 something that looks like they're just in transition from one thing to the next again like a
39 small piece of soap from a hotel would look or a small shampoo bottle would look." And it
40 was interesting to me and it was a fascinating discussion. It took about half an hour. And
41 yet, I thought it really captured the essence of what The Dwelling Place strives to do. It
42 strives to take families that have been in very unstable situations and put them into a

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1 much more stable environment and allow them to get their life in order and move on. And
2 we had a 20th Anniversary event a couple weeks ago where some clients from the past
3 came up and talked about their stories, some who had graduated from the program a
4 while back, some who are still in the program, and they are amazing--the number of things
5 that these people can do once someone can provide them the support and give them a
6 chance. And so, I wanted to take this opportunity to provide this proclamation to The
7 Dwelling Place. "Whereas The Dwelling Place provides transitional housing opportunities
8 and support services in Montgomery County for families experiencing homelessness,
9 helping them to achieve and maintain self-sufficiency, and whereas The Dwelling Place
10 was established in 1988 by concerned citizens to help homeless families in our
11 community with transitional housing services, and whereas The Dwelling Place has had a
12 remarkable rate of success, placing graduates in affordable permanent housing. And
13 whereas The Dwelling Place is more than temporary shelter in that it allows families to
14 stay together while The Dwelling Place staff provides support and guidance, provides a
15 means for them to address the issues that led them to homelessness, accepts those in
16 which the head of the family commits to address the challenge of making lifelong changes
17 and agrees to work with the Program's case managers to develop and carry out a
18 personal action plan for achieving family independence. And whereas The Dwelling Place
19 is a community-based non-profit encouraged and supported by individuals, faith groups,
20 businesses, service clubs, foundations, and government agencies. Now, therefore, be it
21 resolved that the County Council of Montgomery County hereby takes this opportunity to
22 thank The Dwelling Place for 20 years of service to our community--Presented this 2nd
23 day of December, Michael J. Knapp, Council President." Thank you. God bless you. I'll
24 give you an opportunity to the microphone as well.

25
26 MIRIAM GANDELL:

27 I also like to talk so... I just want to say thank you very much to--this organization is
28 wonderful. I've only been with them for a year-and-a-half; but I've worked in this field in
29 other parts of the country. And I have to say, if you've lived here all your life, you don't
30 recognize it, but this county has a wealth of resources. I am constantly amazed by how
31 many resources there are for people in need. Of course, there's never going to be
32 enough; but the County Council and other parts of the County are very committed to
33 helping those in need. So, I recognize that. I thank the County Council for their support,
34 financial as well as in other ways. But I just want to say, I wish we didn't have to be here,
35 but we are very proud of the fact that we can take a family who's willing to work hard to
36 get back on their feet to overcome whatever issues they're facing and help them to obtain
37 permanent housing and maintain it over the years, not just in the short term but in the long
38 term. We try to make life changes so that they can grow and their children will never
39 experience these problems. So, my staff is here. We're very small, but mighty. And I thank
40 them. They're the ones that do the work. And I just appreciate the opportunity to recognize
41 all the support that we get throughout this organization. It was founded by the faith
42 community and continues to be supported by them as well as many other entities as you



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1 heard, but we can't do it alone. And we don't get big grants and big money from places.
2 We're small. We're local, but we serve the whole county, and I think we have a positive
3 impact on the county in general. So, thank you very much for this recognition.

4
5 COUNCIL PRESIDENT KNAPP:

6 Well done.

7
8 [APPLAUSE]

9
10 MIRIAM GANDELL:

11 Oh, I'm supposed to face this way. I don't do this often. MAN:

12 A few of these. Good. I will take a few more. Here you go. Big smile. Thank you.

13
14 MIRIAM GANDELL:

15 Will we get a copy?

16
17 COUNCIL PRESIDENT KNAPP:

18 Yep, they'll send them to you.

19
20 MIRIAM GANDELL:

21 Wonderful. Thank you.

22
23 COUNCIL PRESIDENT KNAPP:

24 Okay. Now, to the event everyone has been waiting for. I will be brief. It's interesting. If
25 you look at the agenda, they give 5 minutes for the outgoing Council President--they give
26 45 minutes for comments by the incoming. So, it's kind of like being at the Academy
27 Awards. I'm waiting for the music to start playing once I start talking. Anyway, we now
28 move to our Council elections. Before I do that, I just had a couple of brief remarks. I just
29 wanted to first recognize and thank my staff for their efforts this past year, Joyce
30 Fuhrmann, my Chief of Staff, Carmen Barrios, Daniela Moya, Brian Jones and Nancy
31 Aldous. As I think everyone knows, we can only do so much. We all sit in the chairs, but
32 the reality is all those folks who are in our offices are doing the work and making sure that
33 our constituents are served and are doing all of those crazy things that we come up with
34 those ideas. And I appreciate very much my staff's efforts over this past year. I would also
35 very much like to thank our 5th floor staff. We just had a breakfast downstairs. Down
36 there, I just made some brief remarks in that I don't think people fully understand kind of
37 the magnitude of what 5th floor staff does. The product of their work is basically big packs
38 of paper. And so, it looks like they're producing kind of just the words, and the reality is
39 that they spend time visiting programs, talking on phones with folks who are implementing
40 programs, learning things from other communities and distilling that down, and really
41 taking an inordinate amount of time to understand as much as they possibly can about an
42 issue and then take the time to distill that down to a couple of pages so that we can take



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1 whatever they have done for the last four weeks and read it in a couple of minutes and
2 say, "Wow, that's an interesting topic." And so--but the amount of work that they know and
3 the things that they do are tremendous. And so, I just want to thank our 5th floor staff for
4 all of their efforts because they do it day in and day out and are generally the unsung folks
5 in County government. And so, I thank them for that. I would also like to thank my
6 colleagues over the course of the past year. There have been some interesting
7 challenges, but we have worked together to work through them. And I thank everyone for
8 their efforts and appreciate them very much. In particular, I thank the Council Vice
9 President for his efforts. Phil is a man of great deliberation and principle and it has been
10 my pleasure to have you here. You had been a great sounding board to walk various
11 issues through with and to try and set the Council's agenda. I thank you very much for
12 your efforts.

13
14 COUNCILMEMBER ANDREWS:
15 Thank you.

16
17 COUNCIL PRESIDENT KNAPP:

18 As I said, since last December, we've had some challenging issues, but we've managed to
19 work through those. Some days, it wasn't as pretty as perhaps people would have liked it
20 to be. But as we all know, the legislative process can be a messy one. Sausage-making is
21 usually something that is referenced when talking about making legislation. And it's not
22 always pretty. But people's business, I think, is one that deserves a full vetting and gets
23 lots of emotions. And I think it's important to make sure that all points are heard and,
24 ultimately, the decisions are made. And so, I thank everyone for their efforts. Our budget
25 process has set the tone, I think, for the coming year. It was a difficult budget, but I think it
26 may pale in comparison to what we're seeing. But I think what we did was a tremendous
27 step forward. As little as, it was 4 or 5 years ago, we had a budget that was growing at
28 nearly a rate of 10%. This past year, the budget that this Council approved was at the rate
29 of inflation which is the lowest that our budget has grown in nearly 15 years. And so, I
30 thank my Councilmembers for their efforts to do that. That is not an easy task to slow our
31 rate of growth, recognizing economic realities while at the same time, try and make sure
32 that we put priorities on key programs that serve the members of our community. And I
33 think we did a very good job of doing that. As we know in the coming year, our economic
34 outlook is at best uncertain, and it will be a challenge. And we will see lots of changes.
35 We're going to get an update this afternoon that talks about our fiscal plan. And it's not
36 great. But if we're going to have difficult times, I'd much rather have them here in
37 Montgomery County than virtually anywhere else. I traveled over this past Thanksgiving
38 weekend and saw the difficulties people are facing in other parts of the country. And the
39 nice thing here is we have a richness in resources that we can call upon in what will be a
40 difficult year. I know that we will be successful. And so, I look forward to working with my
41 colleagues on that. And I think that that really kind of sets up where I'd like this to end, I
42 like this to go to. It's a difficult time. The economy is struggling. People turn on the TV or

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1 the radio and virtually everything they hear is negative, and it creates a high level of
2 anxiety. And I think, sometimes, it's difficult to focus on what are all the good things and
3 where are we going. And I think we're at a unique opportunity in time to really begin to set
4 the stage for where our communities can go. When you look at 40 years ago, we were just
5 building the Metro System; we were building the Beltways, the foundations of
6 transportation that allowed our region to grow as it has. If you look at where we are now,
7 we're at that crossroads and say, where are we going to be in the next 30 to 40 years?
8 We have a million people in Montgomery County. We know 1.5 million people are coming
9 to this region, 1.2 million jobs over the course of the next 20 years. And we can either
10 recognize that and we can embrace those numbers and come up with a very good idea
11 and how we can put the plan in place, or we can deny the fact that that's going to happen
12 and we will end up okay. We'll always be okay because we're Montgomery County. But
13 what an exciting opportunity to really look and put the pieces in place to understand where
14 it is that we need to go, how do we grow differently, how do we transport ourselves in this
15 region differently, how do we educate our students better so that we make sure that we
16 have a work force that is going to be accessible to all and make sure that in technology, in
17 biotechnology, we have the pieces that we need so that we can continue to grow and
18 thrive as we have. I think those are the types of decisions that we're going to be
19 confronted with. So, while we're going be looking in the short term at difficult economic
20 times, we really have an opportunity to--we shouldn't lose sight of the opportunity that we
21 have to focus on the bigger picture. And I think that we can do that and we need to do
22 that. And just because we're going to have difficult economic times doesn't mean that we
23 shouldn't set lofty goals. And so, while I think we addressed the short-term issues, we
24 need to take time to make sure we are setting the right tone, the right foundation for our
25 communities to grow in the future. And I think that we have an opportunity to do that. So, I
26 look forward to working with all of my colleagues to make sure that in the coming year and
27 the coming years that we can do that. And so, I thank you all very much. I appreciate your
28 efforts and look forward to working with you in my councilmember capacity. [APPLAUSE]
29 At this--thank you. So, at this point...

30
31 COUNCIL VICE PRESIDENT ANDREWS:
32 [INDISTINCT]

33
34 COUNCIL PRESIDENT KNAPP:
35 Oh, Council Vice President Andrews.

36
37 COUNCIL VICE PRESIDENT ANDREWS:
38 Thank you, President Knapp. Well, thank you for those remarks. And thank you for
39 serving the County so faithfully and so well, and so tirelessly, really, during the last year. It
40 is fitting that that you got--

41
42 COUNCIL PRESIDENT KNAPP:



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1 I've got a cot left in my office. I'll just move it to your office so you can sleep there next
2 year.

3
4 COUNCIL VICE PRESIDENT ANDREWS:

5 All right. I was wondering how you did it. Mike served as a Chair of the Council of
6 Government at the same time he was serving as the President of this Council. I don't
7 know how he did it, but he did. He's very efficient--very organized and he has a calm and
8 reassuring manner that helps everybody come together and get things done. Mike was
9 just instrumental in helping the Council recover after the shock of the loss of our late
10 colleague, Marilyn Praisner, which was a real body blow to this Council. And that was a
11 very difficult time. And, Mike, you led us through it very well. And the Council came
12 together and continued on and, really, the staff of Marilyn soldiered on so well as well and
13 continued to--for Don Praisner. But you have dedicated a huge part of your life to public
14 service and this was just the latest chapter, and we know it will continue. So, thank you
15 very much.

16
17 COUNCIL PRESIDENT MICHAEL KNAPP:

18 Thank you very much. I appreciate it. Councilmember Trachtenberg. Oh, let me just do
19 that. Now, we actually move to the election of new council officers. And so, with that,
20 Councilmember Trachtenberg?

21
22 COUNCILMEMBER TRACHTENBERG:

23 Thank you, President Knapp. In fact, before I start my remarks, I want to echo what the
24 Vice President shared about your leadership. So, I thank you for your commitment to
25 Montgomery County. It's with great pride and joy this morning that I nominate my friend
26 and colleague, Phil Andrews, for the Presidency of the Montgomery County Council. I met
27 Phil about 10 years ago and I first worked with him on the County Living Wage Law. Then
28 we went on to work on Public Funding of Political Campaigns down in Annapolis. A few
29 years later, I worked closely with Phil on various challenges that we faced at the Betty Ann
30 Krahne Center, our sole domestic violence shelter here for victims of family violence. And
31 in every one of those instances, I found Phil to possess an inquiring mind--lots of
32 questions. I came to appreciate his fine work ethic and his forthright manner. You always
33 knew when you left a conversation with Phil where he stood. And I admired his loyalty to
34 and perseverance for those values that he deeply believes in. Since arriving at the Council
35 two years back, all those qualities of character and leadership that I had seen in Phil had
36 been reaffirmed. And I will forever personally be grateful to Phil for his friendship and
37 support. Across all domains of human endeavor and throughout political history, great
38 leaders always put service first. They place the good of the political body above personal
39 goals and they measure that in the accomplishments of their colleagues. And it is this trait
40 that is the cornerstone of great leadership. A great leader has the ability to see where the
41 political institution needs to go and to articulate that direction in a way that inspires
42 people--colleagues, but people in the community as well. And that vision needs to be



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1 rooted in meaningful values, or it will inspire no one. Talented leaders are always willing to
2 learn. It is that curiosity and desire to investigate that makes them successful. Many
3 exceptional leaders have also experienced failure and challenge, and they have
4 confronted it directly, and they have come to terms with the humbling nature of that
5 experience. They have learned the limits of leadership, of power, of what they can and
6 can't do. And I believe that Phil has all of the above, the right skills and experience to lead
7 us at this defining time. And it is with great pleasure that I place his name in nomination
8 for the presidency of the Montgomery County Council.

9
10 COUNCIL PRESIDENT KNAPP:

11 Is there a second? Very good. All in support of Council Vice President Andrews to serve in
12 the capacity of Council President for the upcoming year, please indicate by raising your
13 hand. That is unanimous. You're allowed to vote for yourself. Well done.

14
15 COUNCIL VICE PRESIDENT ANDREWS:

16 I did not want to be the deciding vote.

17
18 [APPLAUSE]

19
20 COUNCILMEMBER KNAPP:

21 Well done.

22
23 COUNCIL PRESIDENT ANDREWS:

24 Thank you very much for that. And I will make remarks in a little bit. But first, we're going
25 to have the election of the new Council Vice President. And so, I want to see if there are
26 any nominations for Vice President. I see Councilmember Elrich's light.

27
28 COUNCILMEMBER ELRICH:

29 I would be pleased to nominate this morning my colleague and friend, Roger Berliner, for
30 the Office of Vice President of the County Council. Let me give you a couple of reasons
31 why. First of all, I found that what Roger says he's committed to, he's actually committed
32 to. And that is an invaluable quality and something, I think, will serve all of us well in the
33 Council. His word has value. If he tells you where he is on an issue, that's where you'll find
34 him whether you disagree with him or agree with him. I know that in the world of counting
35 votes, you can count Roger's vote one time then you know where he's going to be. On
36 environmental and transportation issues, he gets the big picture and he also understands
37 the local implications that follow. So, it's easy for Roger to connect the dots and go from
38 an understanding of what kind of issues we're confronted with to what we need to do
39 locally if we're going to be successful in confronting them. I found him persistent and
40 committed to getting it right. We worked very closely together on the C&O Canal
41 Protection legislation. And we've labored for more than a year now on the Forest
42 Conservation bill and on a Tree Protection Bill. And while it's taken a year to get the thing

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1 refined, where some people might have given up in impatience and said, "This is too
2 difficult, this is too long, I don't want to have to change this again," Roger has been
3 somebody who said, "The most important thing we do is get this thing right, and to sit
4 there and be willing to work through the process and make sure that the bill that comes out
5 is the right bill, not the quickest bill we could draft, not the quickest bill to find 5 votes for,
6 but the best bill that we could draft." I really appreciate that quality. He's easy to work with
7 when you agree with him, but more importantly, he is comfortable to work with when we
8 disagree. I can still use the words ICC with Roger and have a disagreement and know that
9 I can carry on the very next part of our conversation as if we've never talked about the
10 ICC. And I think that's a really important quality. He knows that he can express a
11 difference of opinion, but he leaves the door open for continued dialogue. And I think
12 that's just really important to have in somebody in a leadership position on the Council. I
13 think, in all, that his commitment to finding solutions, his patience in finding the best
14 solution, and his ability to work cooperatively with the people who hold differing views
15 make him well-suited to deal with the difficult years. And I use the word, plural, that we are
16 facing. These are going to be very difficult times. They're going to test everybody's
17 patience. And to have leadership--and I would say the same thing about Phil--that's willing
18 to work toward solutions and to not grasp at what looks convenient and what might be
19 politically useful but, actually, to try to figure out how we're going to get out of this mess is
20 going to be very, very important. I have great confidence in his ability to work with us, to
21 work with the other side of the street, otherwise affectionately known as the
22 Administration, and in his ability to communicate clearly with the public. So, with all that
23 said, I am pleased to nominate Roger as Vice President for the County Council of the
24 coming year.

25
26 COUNCIL PRESIDENT ANDREWS:

27 Is there a second?

28
29 COUNCILMEMBER ERVIN:

30 Second.

31
32 COUNCIL PRESIDENT ANDREWS:

33 And I see Councilmember Ervin has her light on, too.

34
35 COUNCILMEMBER ERVIN:

36 I second Councilmember Roger Berliner's nomination to serve as Vice President of the
37 County Council. Almost two years to the day, it was December 5, 2006, I sat at this dais
38 for the very first time. On that day, I placed Marilyn Praisner's name in nomination to be
39 the President for the County Council. That was a proud moment for me because Mrs.
40 Praisner was always someone who I admired. She served as a mentor for me and
41 inspired so many women to enter public service. Since that day, so much has changed.
42 Our current president, Mike Knapp, had to take charge of a council who had lost one of its

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1 leaders and much of its institutional knowledge. Under his leadership, what began as a
2 group of 9 individual council members all going in different directions has become a more
3 cohesive body as each of us have searched to find common ground. This is a concept
4 that Roger Berliner not only believes in, but has practiced throughout his career in public
5 service. At first blush, you might not think that Councilmember Berliner and I have much in
6 common, but you would be wrong. We both are serving our first term on the Council
7 representing the most urban areas of the county. We both are environmental advocates
8 and support the Purple Line. We both are committed to making the quality of life better for
9 the residents living in our districts. Finally, we both appreciate being public servants
10 because we are able to give back to the county that we both love so much. Over the
11 coming year, we will face some serious economic challenges that this Council has not had
12 to face in the past. I know that Councilmember Berliner will continue to do all that he can
13 not only to find common ground among us, his colleagues, but also to find common
14 ground among county residents. I know that he is committed to protecting those who are
15 most vulnerable and ensuring that key Council priorities like education and public safety
16 are funded. As we continue to navigate our way through these challenges, I am confident
17 that Councilmember Berliner and Andrews will provide the leadership needed to do our
18 work on behalf of Montgomery County residents.

19
20 COUNCIL PRESIDENT ANDREWS:

21 Very well said. I don't see any other nominations so the nominations are closed. All those
22 in favor of voting, electing Councilmember Roger Berliner as the new Vice President,
23 please raise your hand.

24
25 COUNCILMEMBER BERLINER:

26 I guess I should do it, too.

27
28 COUNCIL PRESIDENT ANDREWS:

29 You'd do it too? That is unanimous. Congratulations, Roger. We're now going to have a
30 very short ceremony and then we're going to take a 2-minute break and we'll come back
31 for some remarks. But I want to first present an award to the outgoing President, Mike
32 Knapp. As I said earlier, Council President Knapp served us extremely well. And he never
33 had to use his gavel so we mounted it. And here it is.

34
35 COUNCILMEMBER KNAPP:

36 Thank you very much.

37
38 COUNCIL PRESIDENT ANDREWS:

39 And you can keep that as a token of our appreciation of your work.

40
41 COUNCILMEMBER KNAPP:



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1 Thank you very much. I appreciate it. Thank you. Before we get started, your staff was
2 concerned that as you started this new venture that perhaps you wouldn't have enough
3 sustenance to get you all the way through. So, they have for you just a small gift so that--
4

5 COUNCIL PRESIDENT ANDREWS:

6 Chocolate. We run on chocolate. Come visit. We'll give you something if you tell us
7 something we don't know which isn't hard. All right. Thank you. Thank you. We will take a
8 2-minute break. Please stay in your seats. We're just going to rearrange the signs up
9 here.
10

11 COUNCILMEMBER KNAPP:

12 That's right.
13

14 [COUNCILMEMBERS TALKING INDISTINCTLY]
15

16 COUNCIL PRESIDENT ANDREWS:

17 Thank you to the staff for rearranging everything so promptly up here. And first, I want to
18 thank Councilmember Trachtenberg for nominating me to serve as President of the
19 Council. And I thank all of my colleagues for their support. I appreciate your confidence in
20 me in this extraordinarily difficult year. And I thank the residents of District 3 for allowing
21 me to serve for 10 years as their representative on the County Council. There is no
22 greater honor than to serve the public. I am pleased that Councilmember Roger Berliner
23 has been selected as Vice President, and I congratulate Roger. We're going to work very
24 closely together with all of our colleagues, with the County Executive to navigate our
25 county through these difficult times, through this fiscal storm, and to make our county
26 more weather-proof in the future. I want to acknowledge my family, Stacy????? and
27 Justin?????, who you have seen. I thank them for all their support and sacrifice and
28 understanding as to why I'm not home very often. Thank you for being so understanding
29 and especially in the next year. And I want to thank my Mom and Dad who got me started
30 on public service by signing me up for a membership in Common Cause when I was 18.
31 And I thank my brother Keith????? as well who I admire in so many ways. I want to
32 recognize my staff, Lisa Mandel-Trupp, my Chief of Staff, Dave Hondowicz, John Smith,
33 Maria Peck, my legislative assistants, all of whom have been with me for 10 years now.
34 Lisa, Dave, Maria, John, you have served me so well for so long in so many different
35 ways, and I thank you very much for that. I want to welcome my new staff member, Kunda
36 Kimaro. We will put him to work very quickly. And everyone here, I know, will welcome him
37 aboard. I also want to say thank you to Bobbie Walton who was my Chief of Staff for
38 seven years, and who is now making waves in Michigan. The Council is blessed to have a
39 terrific 5th floor staff, our permanent staff led by Staff Director Steve Farber, Deputy
40 Director Glenn Orlin. And both the analytical and the administrative support staff is terrific,
41 and we benefit greatly from them and we will continue to through this year. We're also
42 fortunate to have a terrific research arm, the Office of Legislative Oversight lead by Karen



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1 Orlansky. And we will hear a briefing on one of their reports shortly that is an example of
2 the kind of quality work that they do. And I know we will continue to benefit from the work
3 that they do as well. It has been my privilege to serve on the County Council for 10 years
4 now, and I couldn't ask to serve with 8 more intelligent, committed, hardworking people
5 than my colleagues here at the table. Mark, Don, Duchy, Nancy, Roger, Mike, Valerie,
6 George, I look forward to working with all of you, and I will draw on all of your many talents
7 throughout this year so that we can do the best possible job for the people of this county.
8 And I know that you all have a lot to give, and I will ask a lot of you and we will pull
9 together and get a lot done this year to deal with the very challenging times we are facing.
10 I especially want to acknowledge Mike Knapp's leadership through, as I mentioned earlier,
11 one of the Council's most difficult times. It was a terrible jolt to this body. It took awhile for
12 the Council to recover. Mike's calm, reassuring manner helped pull the Council together
13 and get us through. And the staff of Marilyn Praisner--Joy Nurmi, Pat Brennan, Claire Iseli,
14 Sherry Kinikin, and Jackie Hawksford-- soldiered on and have continued to serve the
15 County by serving Don Praisner who replaced Marilyn in the District 4 seat. And, Mike,
16 thank you so much for doing that. The budget--my colleagues' professional expertise and
17 knowledge of agency budgets will be fully needed in the year ahead as the Council
18 addresses a projected FY-10 budget that is by the latest estimate in the \$450-million
19 range depending on how you count. In any event, it looks like it is over \$400 million and
20 changing as we speak. It very likely could grow larger in the next few months, and that will
21 be our first and primary order of business this year. The Council will work closely with the
22 County Executive to eliminate the deficit by cutting spending and not by raising taxes or
23 by exceeding the charter limit. The Council will maintain essential public services and we
24 will protect the safety net to help those in great need, and there are many in great need
25 and increasingly so. This combination of policies is what is called for at a time when many
26 people are hurting due to falling incomes and higher taxes. Last Tuesday, the Council
27 approved a \$33 million round of savings which was the first round of midyear cuts in the
28 current year's budget. I expect the Council and Executive will need to produce a second
29 round of mid-year savings during the coming weeks. Even without the recent economic
30 freefall, Fiscal Year 10 would have been a very challenging year fiscally because of the
31 structural imbalance between spending commitments and trends in revenues. The
32 Council's priority this year will be to put the County's fiscal house in order and to get us on
33 a sustainable spending path for the long term. And by placing the interests of the next
34 generation ahead of short-term electoral considerations, we will demonstrate that the faith
35 of the people who elected us to serve was well-placed. Hard times force hard choices and
36 present the opportunity to reconsider fundamental assumptions about what the County
37 does and how the County does it. The County cannot sustain simultaneously the size of
38 the current work force and provide the level of pay increases that employees expect and
39 continue to obligate future taxpayers to ever larger retiree health care and pension
40 benefits. We need to scale down in a thoughtful and targeted way the size of the work
41 force through normal work force attrition and through productivity improvements. We also
42 need a thorough re-examination of County programs and benefit commitments to future



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1 employees. When collective bargaining negotiations take place, it is crucial that the
2 agreements be affordable and sustainable. And for the good of all, no one can get
3 everything they want. The Council will reduce spending in many areas to balance the
4 budget. And our challenge is to cut wisely to ensure the public continues to receive
5 excellent basic services and to ensure that the safety net is there for those in great need.
6 There will be substantial cuts in many non-emergency services. In addition, everyone will
7 be asked to make a sacrifice. All 33,000 employees funded by the County should be
8 asked to do their part by forgoing cost-of-living increases next year, which would save
9 approximately \$125 million. I value our dedicated employees and I acknowledge this will
10 be hard for many of them. However, I want to prevent lay-offs and, if possible, minimize if
11 there are lay-offs, to minimize them. And that, unfortunately, will be the most likely
12 alternative if we don't have substantial savings in salary costs. I won't ask our dedicated
13 employees to do more than I am prepared to do. And if furloughs become necessary
14 which would save \$10 million a day if applied to all agencies, I will donate my pay for
15 those days. As we trim and reinvent County government, we also need to reform it by
16 making government as open, accountable and responsive to the public as possible. The
17 Council must listen to everyone but be beholden to no one and always put the public
18 interest first. During the next few months, the Council will work on a series of reforms to
19 make County government more open, accountable, and responsive to the public
20 beginning with these four. The first reform will be of the Disability Retirement System.
21 Legislation is being prepared for introduction next Tuesday that would reform the County's
22 Disability Retirement System to ensure that the system works the way it should. It must
23 provide a secure retirement for those employees disabled on the job while screening out
24 those without legitimate claims. The County's Inspector General has documented beyond
25 a reasonable doubt that our current system is not working as it should. Councilmember
26 Trachtenberg and I have been working closely together on reform legislation for the past
27 few months. And last week, the majority of the Council sent a letter to County Executive
28 Leggett indicating strong support for reform of the County's Disability Retirement System.
29 The second reform initiative will be to provide information online about government
30 spending so it is available for all to see. Council Vice President Roger Berliner has
31 initiated this, and I am preparing legislation with him that would follow the lead of the
32 Federal and State governments in posting online information about all County spending so
33 that the public can easily access this information. The public has every right to know
34 where its money is being spent and be able to access the information easily. And the
35 Council will work with the Executive Branch to make this happen. The third reform
36 initiative will be to require applicants for County grants to disclose the salaries of their top
37 3 executives to ensure that public funds are targeted to organizations that are the
38 neediest as well as the most effective in helping people. And the fourth reform initiative to
39 start us off will be to acquire the authority to strengthen campaign finance disclosure for
40 candidates for the County Council and County Executive. Since 2001, the Council has
41 supported legislation that would authorize the Council to establish campaign finance
42 reforms that meet the needs of the people of Montgomery County and that go further if

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1 necessary in the State of Maryland's current laws. Delegate Susan Lee is sponsoring a bill
2 in the General Assembly MC 913-09 that would enable Montgomery County to establish
3 stricter disclosure requirements for County Council and County Executive elections. The
4 Council voted to support this legislation last week. Now, we need the Montgomery County
5 delegation and the General Assembly to approve it as well. The bill will have a public
6 hearing before the delegation in the evening of December 11th here in Rockville. In
7 addition to the initiatives described above, the Council will hold a community forum next
8 month on January 27th specifically to hear the public's suggestions for budget cuts and
9 savings. Residents can also e-mail me or any Councilmember their ideas and I will
10 forward any suggestions I receive to all Councilmembers and appropriate staff for
11 consideration and a response. Finally, the Council will spend considerable time on land
12 use transportation and growth policy in 2009. And Councilmember Knapp is Chair of the
13 Planning, Housing, and Economic Development Committee, and Councilmember
14 Trachtenberg is Chair of the National Policy Committee, will both be very busy dealing
15 with the growth policy and the PHED Committee particularly with the Master Plans for the
16 Germantown and the Gaithersburg West Master Plans which the Council will complete
17 this year as well as reviewing the County's growth policy this fall. In addition, the Council
18 will make important recommendations on the Purple Line, the Corridor Cities Transitway,
19 which is under the purview of the Chair of the Transportation, Environment and
20 Infrastructure Committee, Nancy Floreen, and we will be discussing transportation
21 priorities a little bit later in this meeting. But right now, many of our residents are hurting,
22 and I want to urge all of us to give what we can to help others get through these hard
23 times. Yesterday, I met with representatives of the archdiocese who described how food
24 banks are running very low, and many of our most vulnerable residents are in deep
25 trouble and many who were not vulnerable before are becoming so. And I pledged to the
26 representatives of the archdiocese--and we've heard from organizations like MANNNA as
27 well, that they're running low and that they need help. And I will work with my colleagues
28 to make sure that we publicize the need for donations of food to help the vulnerable. And
29 now, now is the time to help by giving money, food, or donating your time to these
30 organizations. One of the most important jobs of the Council President is to inspire the
31 best in everyone. And certainly, while there will be contentious policy debates and that's
32 healthy, we don't want everybody to agree all the time--but as Dr. Martin Luther King, Jr.
33 noted, "Creative tension can lead to progress and progress in advancing the public
34 interest is essential." But pulling together and at our full strength, we'll make it through the
35 storm, reach the shore, and emerge better prepared for the future. Thank you very much.
36 [APPLAUSE] Thank you. I want to now ask the new Council Vice President Roger
37 Berliner if he would like to make some remarks.

38
39 COUNCIL VICE PRESIDENT BERLINER:

40 Not as eloquent as yours, Council President, but I would like to say a special thanks to my
41 colleagues, Councilmember Elrich and Councilmember Ervin for their gracious remarks,
42 and to all my colleagues for the trust that you have bestowed upon me. It is a trust that I

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1 will work hard to honor through a meaningful partnership with you, Council President
2 Andrews, who I am confident will lead us through this challenging time. My commitment to
3 you as colleagues and my commitment to our County is to be able to look back a year
4 from now and be proud of how we weathered the storm, of our capacity to make tough
5 choices, of our compassion for those whose lives are being upended by this economic
6 crisis, and of our ability to pull together as a body and with the County Executive for the
7 greater good of the community we all love. Thank you. [APPLAUSE]

8
9 COUNCIL PRESIDENT ANDREWS:

10 Thank you. All right. We will now move to general business. And thank you all for those
11 comments, and thank you all for being here this morning for the ceremony. Are there any
12 announcements in terms of agenda and calendar changes?

13
14
15 LINDA LAUER:

16 Yes, we have an addition to the consent calendar. It's an introduction of a special
17 appropriation for the Department of Health and Human Services. It's \$310,000 for the
18 Child Welfare Initiative Grant. Public hearing and action is scheduled next Tuesday the
19 9th at 1:30. And then, we did receive two petitions this week, one from residents of Prices
20 Distillery Road requesting road repairs in Clarksburg, and then, another from residents
21 opposing the Emergency Medical Transport fee. That's it. Thank you.

22
23 COUNCIL PRESIDENT ANDREWS:

24 Thank you. All right. We have an action item on approval of the minutes for November 18,
25 2008. Is there a motion for approval?

26
27 COUNCILMEMBER ERVIN:

28 I so move.

29
30 COUNCILMEMBER KNAPP:

31 I second.

32
33 COUNCIL PRESIDENT ANDREWS:

34 Moved by Councilmember Ervin and seconded by Councilmember Knapp. All those in
35 favor of the minutes of November 18th, please raise your hand. That's unanimous and
36 they are approved. All right. Next is the consent calendar. Is there a motion to approve the
37 consent calendar?

38
39 COUNCILMEMBER FLOREEN:

40 I so move.

41
42 COUNCILMEMBER LEVENTHAL:



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1 I second.

2
3 COUNCIL PRESIDENT ANDREWS:

4 All right. So, moved by Councilmember Floreen and seconded by Councilmember
5 Leventhal. Are there any comments on the consent calendar? I don't see any. All right, all
6 those in favor of the consent calendar, please raise your hand. That's unanimous. Thank
7 you. All right, next item is action on an amendment to the County Government's FY09
8 through '14 Capital Improvements Program with the Department of Transportation, the
9 State Transportation Participation Project. I'll turn to Councilmember Floreen.

10
11 COUNCILMEMBER FLOREEN:

12 Thank you, and congratulations, Mr. President, I look forward to working with you on this
13 challenging year.

14
15 COUNCIL PRESIDENT ANDREWS:

16 Thank you. Thank you.

17
18 COUNCILMEMBER FLOREEN:

19 The recommendations of the Transportation, Infrastructure, Energy, and Environment
20 Committee are before you for the State Transportation Participation Project. And I wanted
21 to make it very clear--we are not proposing any property taxes here. What the committee
22 is recommending basically is current transportation projects that Council has incurred over
23 the years since--in 2006, as you will remember, we allocated \$160 million of County funds
24 for critical state and transportation projects. Half of those were from revenue bonds,
25 supported by revenues from the County Liquor Fund. The other half would be a mixture of
26 D-O bonds????? and impact taxes. This money is already included in our CIP. Over the
27 years, we've allocated some of the funds and the remainder has been set aside. And in
28 the past couple of months, we've asked the County Executive and we're very grateful for
29 the County Executive's concurrence that we allocate the existing dollars to keep some of
30 our critical state transportation projects on track given the very severe state cuts to
31 transportation that we've experienced so far, and frankly anticipate to continue to
32 experience. Basically, as you will all recall, about \$100 million of our state dollars for
33 transportation initiatives have been cut from the State CTP so far and we'll see how things
34 go. At this point, though, what we felt was important is that we allocate what had been
35 already put into this budget for key things that we can more or less keep on track on State
36 Transportation initiatives. This will require some adjustments to the way we have handled
37 State Transportation projects over time. But that will come after we have agreed on the
38 fundamental concept here. And I wanted to emphasize that so far, we've already agreed
39 to spend about--in previous CIPs, we've already agreed to fund about 87 million in
40 projects including \$60 million for the south entrance of the Bethesda Metro, 10 million for
41 the Glenmont Metro Parking Garage, and we also forwarded--forward funded a portion of
42 the Montrose 355 Interchange which is now under construction right now. And that's very



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1 exciting. What's very significant I think between that and what we are proposing today, the
2 majority of this funding actually is going for transit and pedestrian projects between
3 Bethesda, South Metro, South Entrance, the Glenmont Parking Garage; preliminary
4 engineering on the Veirs Mill, a bus rapid transit system; design for a pedestrian tunnel
5 under Georgia Avenue at Forest Glen; preliminary engineering for a Georgia Avenue
6 busway; and sidewalks along Connecticut Avenue and Route 108. We are making
7 significant advances on key locations where, historically, County Government had been
8 reluctant to tread primarily given the fact that these are State obligations and we are
9 stepping to the plate on this. As is described in Mr. Orlin's memo here, what we're
10 proposing, we'll pay for portions of about 27 different state projects and we'll jumpstart
11 some critical elements. I know that my colleagues wanted to say a couple of words, so I'll
12 turn to Mr. Berliner and then Mr. Leventhal.

13
14 COUNCIL PRESIDENT ANDREWS:
15 Very good.

16
17 COUNCIL VICE PRESIDENT BERLINER:

18 Thank you, Chair Floreen, and let me begin by thanking the Department of Transportation.
19 This was a project that we asked for cooperation on, and we got it. It was really a very
20 good effort on their part as well as the Chair's part to put this package together, and I think
21 we are making significant strides. I, too, want to highlight just a couple of the items in part
22 because they do represent a breakthrough, and that is on the bus rapid transit, in
23 particular, that we are funding preliminary design, engineering design for two very
24 important bus rapid transit possibilities. And that will mark the first time that the County
25 has really made a significant step forward, in my judgment, with respect to increasing our
26 mass transit opportunities for all of our citizens. And we cannot afford to wait for the State.
27 It's as simple as that. So, I know that my colleague, Councilmember Elrich, has been
28 working very hard on a comprehensive bus rapid transit initiative, and this is a first step in
29 advancing those propositions. And I think we should feel quite proud with respect to the
30 advance that we're making in that regard. I also wanted to observe, for those who, in my
31 community, who care deeply about the potential problems with respect to the BRT
32 situation and the traffic that is going to result from that expansion of that important facility
33 that--it is not on this list, but it is not on this list for a very important reason. That is, we are
34 not in the position to advance the design yet because we don't have the design. And we
35 need the State to come forward with that piece. And the State has committed to come
36 forward with that piece with respect to the design. And should we get to a stage where the
37 State, after doing the design work, is not in a position to fund it, I, for one, will be asking
38 my colleagues to consider those needed improvements as well because we cannot allow
39 this installation to go forward without taking care of this community. And, quite frankly, my
40 hope is that the Federal Government will ultimately step up to the plate and assume
41 responsibility to fully mitigate the traffic impacts of this important federal facility. So, those



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1 were my comments and, again, I commend the chair as well as the Director of
2 Transportation for their good work with respect to this list.

3
4 COUNCIL PRESIDENT ANDREWS:

5 Thank you. And Councilmember Leventhal wanted to comment as well, I believe.

6
7 COUNCILMEMBER LEVENTHAL:

8 I did. We all did a lot of work on this. I particularly advocated for two of the projects that
9 Mr. Berliner just mentioned--that is to advance the preliminary planning for bus rapid
10 transit on Veirs Mill Road and on Georgia Avenue. These are two projects that have been
11 in our 10-year Transportation Plan for, I'm pretty sure, well over 10 years. And one of the
12 great frustrations that we find in this job is how long it takes to see real transportation
13 improvements on the ground. And so, what the T&E Committee and the Full Council today
14 are doing are just taking our own money and making things happen. We're not waiting for
15 the State. We're making improvements on state roads because we know that most traffic
16 travels on state roads, and we're doing it in a way that is affordable--and thanks to
17 Chairwoman Floreen, and former Councilmember Steve Silverman--a different revenue
18 stream that is revenue that we already projected, liquor revenues and then some existing
19 G.O. Bond capacity as Chairwoman Floreen pointed out, but it's very important to
20 emphasize this does not require any increases in property taxes. We had already
21 programmed these funds in our CIP. We just had not allocated them to specific projects.
22 I'd like to think of this as our effort at a stimulus package. We are trying to get things
23 moving. Unfortunately, the beneficiaries are mostly going to be design and engineering
24 firms where for many of these projects, although they have been in blueprints and on the
25 drawing table like the busway, like another project that I advocated for very strongly and
26 I'm glad to get the consent of my colleagues to include in this package, the pedestrian
27 underpass at Georgia Avenue at the Forest Glen Metro Station which we've heard from
28 that community over a long period of time and I'm glad we're able to advance that. But we
29 aren't able to construct it until we design it. And so, it just wasn't practical to program the
30 money for construction on some of these projects but the design, moving those ahead for
31 the transit and the roadway improvements will mean years of difference. And we will see
32 some of these things happen in our lifetime as a result of what the Council is doing here
33 today and I hope it addresses some of the frustration we all feel as elected officials--what
34 does it take to get real improvements on the ground? That's what we're accomplishing
35 today. And I thank Nancy Floreen and Glenn Orlin and Art Holmes????? for all of their
36 work on this. I was very glad particularly to advocate for those three projects, Veirs Mill,
37 Georgia Avenue Busway projects, and the Forest Glen Pedestrian Underpass. And I
38 strongly support the other intersection improvements, the pedestrian improvements. The
39 entire package, I think, is a good package.

40
41 COUNCILMEMBER FLOREEN:

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1 And if I could just comment, add some additional information, I'll direct your attention to
2 circle 4 of the packet that shows, really, the County Staff's very creative approach to this
3 where we're also programming some modest changes in intersections that we think will be
4 very visible and very meaningful to our residents. We can't afford, regrettably, to fund
5 construction of most of these initiatives but we can get us, ourselves, with respect to the
6 other projects--we can with the intersection improvements. But with respect to the other
7 projects that are on the list, primarily on page 2 and the top of page 3 in your packet,
8 running through these big-ticket projects as Mr. Leventhal and Mr. Berliner have referred
9 to, we can only get ourselves in a position to proceed at a later point in time when,
10 hopefully, there is an amount of resource available to actually allow us to deliver some of
11 these projects that we've been talking about for so very long. So, we're getting there, and
12 we're optimistic that we will be well-situated once a new administration hopefully comes
13 through with its commitment to advancing infrastructure which I will note is very exciting to
14 see them include that in a statement and in a sentence, frankly. But also, we're working
15 with the State and our colleagues in the State delegation to start thinking creatively about
16 how we come up with realistic transportation funding mechanisms. So, with that, I don't
17 know if Mr. Berliner wants to...

18
19 COUNCIL PRESIDENT ANDREWS:

20 Councilmember Knapp has his light on, too. And then I'll turn to--

21
22 COUNCILMEMBER FLOREEN:

23 Great.

24
25 COUNCILMEMBER KNAPP:

26 I just want to--thank you, Council President Andrews. I just want to thank the Committee
27 for their efforts. This is a real step forward. We know that both State and Federal funding
28 for transportation projects is continuing to decline as opposed to going the other direction,
29 and we know that our residents look to us in the local government to fix transportation.
30 And while we may not necessarily have the resources of the State and Federal
31 government to do so, certainly, it is imperative that we do what we can, and so I think this
32 a great step in the right direction and to be prepared to move forward when the State has
33 money again. And I guess I would just add that we should also be advocating for the State
34 to do something to get money again. This Council went on record a year ago before the
35 legislative session advocating for a gas tax that was pretty roundly rebuffed--our
36 suggestion and the suggestion to index the gas tax as proposed by Governor O'Malley
37 and his administration because the price of gas was so high. I drove by a gas station on
38 the way in this morning, and the price of gas is now down to \$1.85 a gallon from a high of
39 nearly \$3.85 not that long ago. And it would seem to me, if the argument was that it was
40 too expensive for us to have a gas tax to fund transportation projects because it was
41 higher then, now that the gas prices have come down, it would seem logical that our
42 General Assembly should realize that perhaps given the variability we've seen in pricing to



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1 add a little bit to what the cost of gas is right now, it might make an awful lot of sense so
2 that when we actually get our part of funding these projects completed, they're in a
3 position to actually start paying for the rest of them. So, I thank the committee for putting
4 this forward to make sure we're ready. And I urge us all to continue to advocate to our
5 legislators to make sure that they ultimately and finally get enough resources in there to
6 fund transportation throughout our entire State. Thank you.

7
8 COUNCIL PRESIDENT ANDREWS:

9 Thank you, Councilmember Knapp. Dr. Orlin.

10
11 DR. GLENN ORLIN:

12 Just real quick. One of the follow-ups from a public hearing, we recall there was testimony
13 from a couple of businesses and residents in Ashton about intersection improvement at
14 New Hampshire Avenue and Ashton Road, Maryland 615 and 108 and they were
15 advocating including that in the program of intersection improvements. In subsequent
16 discussions--that intersection improvement cost about \$5 million. The business interests in
17 that area are responsible for building part of that intersection as part of the subdivision
18 approval. And we all agreed with the staff level, with the business interests as well, that
19 there needs to be some kind of a formal agreement between or among the State, the
20 County, and the developers to fund this. That might take up to a year to finalize. They sent
21 a letter which is on Circle 14 of the packet which says that they're okay with not having
22 that intersection funded now as long as there are funds left in this project that could
23 accommodate the County's share of that \$5 million some time in the next year. If you look
24 on Circle 6 in the table, in the second line, Future Construction Participation, you'll see
25 there's \$22 million that even after this action is still yet unallocated. So, there's plenty of
26 funds available to be able to accommodate the County's share of 5 million. So with that,
27 we're not showing any change to the program from what the Committee had
28 recommended a few weeks ago in the review of this.

29
30 COUNCIL PRESIDENT ANDREWS:

31 Okay, thank you. I want to ask if Director Holmes would like to comment. You don't have
32 to, but if you would like to add anything, you're welcome to. Go ahead.

33
34 DR. GLENN ORLIN:

35 I do want to add that, actually, on the staff level, it was a three-part conversation, the
36 DOT, the Planning Board staff as well as myself. They were heavily involved as well.

37
38 COUNCIL PRESIDENT ANDREWS:

39 Good. Councilmember Elrich.

40
41 COUNCILMEMBER ELRICH:

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1 I want to thank the Committee for including the two busway studies and engineering into
2 this project. I think that's really important. I know that the Council Government's--the new
3 thinking is that the only way that this region is going to get out of its transportation box is
4 to try to blanket it to the extent possible with bus rapid transit. And they're beginning to talk
5 about this, and Chris Zimmerman who I guess is from the Arlington Board, but also the
6 chair of WMATA has been a very loud and persistent proponent of this. Last night,
7 WMATA kind of briefed the Coalition for Smarter Growth and Larger Community on their
8 priority corridors. And they view this as a step toward something which they hope will
9 evolve to more than just simply priority corridors with some additional buses. And I've
10 been in deep conversations with WMATA because a lot of this, what I've been looking at,
11 matches up very well with what WMATA priority corridors are. I'd also say there's a
12 changing interest in the State. That is one of the things that Neil Peterson said last night
13 was that one of the differences in the mission of SHA is to look at roads, not how many
14 cars they put through the intersection, how many people they put through the intersection.
15 And that may sound like a subtle difference, but it's actually pretty significant, because you
16 can carry obviously a ton more people on a bus than you can in a car. But as long as you
17 prioritize car movements or vehicle movements through intersections, you have one kind
18 of transportation plan. The willingness now to even talk about median strips and curb
19 lanes for priority bus service is new. And I think it's a welcome change at the part of the
20 State and may open up some possibilities of enhancing transit that weren't open before.
21 And the other thing I'd say is, you know, I think there's a growing recognition that we're not
22 going to build our way out of this with highways. I've had extensive discussions with
23 people in the development community and I would say that it's somewhat gratifying to sit
24 around the table and listen to a land use attorney or a developer tell their colleagues we're
25 not going to be able to build any more roads down in the places that we're prioritizing for
26 development--we're going to have to figure out other ways of getting people here. And I
27 think that changes the discussion. And it's also been interesting to listen to people talk
28 about creative ways of financing some of this. I think there's a realization that the State's
29 not going to be pouring tons of money which they don't have into these kinds of projects.
30 They did a billion dollars in cuts in the fall earlier, and they just added, I think, \$2.5 billion
31 in new cuts and they're talking about possibly more. Peterson said last night--he thinks all
32 the state's going to be able to do is maintain effort, which means basically repairs in their
33 6-Billion Transportation Fund. Not a very good outlook if you're looking for them to build a
34 lot of things. So, I think it is going to come back to us to decide where we want to be and
35 whether we want to be stuck where we are or whether we want to try to get someplace
36 else and what kind of resources we are willing to bring to bear, and who in the community
37 is willing to step up the plate. I think Nancy's suggestion about the parking tax which didn't
38 exactly get the most--the warmest welcome from all quarters was the kind of thinking we
39 need in terms of if we're going to have to solve these problems, it's going to take money.
40 And where are the other sources of money? So, I think there's a lot of creativity and a lot
41 of interest in solutions out there now. This is a good time for us, I think, to be pushing
42 forward so I'm very happy with the direction that this has built up.

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1
2 COUNCIL PRESIDENT ANDREWS:

3 Well, thank you for all of your comments. I too want to thank Councilmember Floreen,
4 Chair of the Transportation Committee for her hard work and the Committee's hard work
5 on this. All right, all those in favor of approving the amendment for this item, please raise
6 your hand. Okay, that's unanimous. All right, next is District Council Session and Action on
7 the resolution to establish a public hearing for January 13, 2009 at 7:30 PM on the Limited
8 Functional Master Plan for the InterCounty Connector, bikeways and interchanges. Is
9 there a motion?

10
11 COUNCILMEMBER TRACHTENBERG:

12 I so move.

13
14 COUNCIL VICE PRESIDENT BERLINER:

15 Second.

16
17 COUNCIL PRESIDENT ANDREWS:

18 So moved. Okay, moved by Councilmember Trachtenberg. Seconded by Council Vice
19 President Berliner. All those in favor of a resolution to establish a public hearing, please
20 raise your hands? That is unanimous. All right, Legislative Session-Day 39, we have
21 Approval of the Legislative Journal of November 18, 2008. Is there a motion?

22
23 COUNCIL VICE PRESIDENT BERLINER:

24 I so move.

25
26 COUNCILMEMBER KNAPP:

27 Second.

28
29 COUNCIL PRESIDENT ANDREWS:

30 So moved by Council Vice President Berliner and seconded by Councilmember Knapp. All
31 in favor of the approval, please raise your hand. That's unanimous. Introduction of bills--
32 so, there are none that I'm aware of for introduction. Call of bills for final reading,
33 Expedited Bill 34-08, Commission on Veterans' Affairs Membership. The Health and
34 Human Services Committee has a recommendation of approval with amendments. We
35 turn to Councilmember Leventhal, Chair of the Committee.

36
37 COUNCILMEMBER LEVENTHAL:

38 Yeah, this should not be a controversial vote. At the request of County Executive Ike
39 Leggett, the Health and Human Services Committee agreed to his request that we
40 increase the size of the new Commission on Veterans Affairs because of an outpouring of
41 interest from community members in serving on the Commission. In addition, we acceded
42 to the suggestion of Congressman Chris Van Holland that our congressional delegation



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1 have a representative on this Commission. We made that representative non-voting for
2 the simple reason that it was the Committee's view that no voting body should have an
3 even number of members. So, the Health and Human Services Committee recommends
4 this bill which was requested by the County Executive to the Full Council.

5
6 COUNCIL PRESIDENT ANDREWS:

7 Okay, thank you, Chair Leventhal. Are there any comments on the bill? I see
8 Councilmember Elrich has--oh, sorry, oh, no, just light on. Okay. I don't see any. So,
9 Madam Clerk, please call the roll.

10
11 MARY ANNE PARADISE
12 Mr. Elrich?

13
14 COUNCILMEMBER ELRICH:
15 Yes.

16
17 MARY ANNE PARADISE
18 Mr. Praisner?

19
20 COUNCILMEMBER PRAISNER:
21 Yes.

22
23 MARY ANNE PARADISE
24 Ms. Trachtenberg?

25
26 COUNCILMEMBER TRACHTENBERG:
27 Yes.

28
29 MARY ANNE PARADISE
30 Ms. Floreen?

31
32 COUNCILMEMBER FLOREEN:
33 Yes.

34
35 MARY ANNE PARADISE
36 Mr. Leventhal?

37
38 COUNCILMEMBER LEVENTHAL:
39 Yes.

40
41 MARY ANNE PARADISE
42 Ms. Ervin?

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1 COUNCILMEMBER ERVIN:

2 Yes.

3 MARY ANNE PARADISE

4 Mr. Knapp?

5 COUNCILMEMBER KNAPP:

6 Yes.

7 MARY ANNE PARADISE

8 Mr. Berliner?

9 COUNCIL VICE PRESIDENT BERLINER:

10 Yes.

11 MARY ANNE PARADISE

12 Mr. Andrews?

13 COUNCIL PRESIDENT ANDREWS:

14 Yes, the bill is adopted unanimously, 9-0. Thank you very much. And we are on time. All
15 right. Okay, good start. All right, our last item--we're working on it. The last item before the
16 recess--and this is a very important item. And this is a presentation of the Office of
17 Legislative Oversight's Report on the Collective Bargaining Laws in Montgomery County:
18 A Legislative History. We first need a motion to release the report.

19 COUNCILMEMBER KNAPP:

20 I so move.

21 COUNCILMEMBER TRACHTENBERG:

22 Second.

23 COUNCIL PRESIDENT ANDREWS:

24 So moved by Councilmember Knapp and seconded by Councilmember Trachtenberg. All
25 those in favor of releasing the report, please raise your hand. All right, it is released. I will
26 first turn to Councilmember Trachtenberg who initiated the study that was conducted by
27 OLO and then we're going to have a presentation by OLO of roughly 20 minutes or so
28 which I will ask to be uninterrupted so we can get through it in one piece, and then we'll
29 have time for questions and discussions but, first, Councilmember Trachtenberg.

30 COUNCILMEMBER TRACHTENBERG:



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1 Thank you, President Andrews. I wanted to start my remarks, of course, by thanking the
2 Office of Legislative Oversight, and in particular, Leslie, who's done a fantastic job on this
3 project. I would consider the report before us a must-read. I tell my colleagues, it is
4 something that is worth taking a few hours of your time--investing that time in reading it. I,
5 when first requesting the report, was relying on a part of my experience around health
6 policy, which is to assess conditions before acting. And I requested the research and
7 analysis from this report right after last year's budget exercise because I really felt that we
8 needed to clarify the Council's role in the Collective Bargaining Process. And I think this
9 report shows very clearly that the Council has an essential role in collective bargaining.
10 And an involvement in collective bargaining in my mind is not an optional pursuit but really
11 quite frankly it's something that is a responsibility in my mind prescribed by law. I think as
12 my colleagues and I take up the challenges of the new budget in the weeks and months
13 ahead, a better understanding of the history of collective bargaining in this County clearly
14 will assist our efforts in securing a stronger, more effective and fiscally responsible future
15 for this County. And again, I want to thank OLO and our senior staff as well who
16 participated in the research to put this project together. It's an excellent report and a must-
17 read.

18
19 COUNCIL PRESIDENT ANDREWS:

20 Thank you very much, Councilmember Trachtenberg. And with that, I will turn to our Office
21 of Legislative Oversight for their presentation, Leslie?

22
23 LESLIE RUBIN:

24 Thank you. I am Leslie Rubin from OLO and I'm here to present an overview of OLO's
25 report on collective bargaining and the legislative history of Montgomery County's laws.
26 Before I would begin, I'd like to thank everyone who helped with this report including Mike
27 Faden and Bob Drummer, the Council's Legislative Information Services, the staff in the
28 Office of the County Attorney, and my colleagues in OLO. This report responds to the
29 Council's request to compile a legislative history of the County's Collective Bargaining
30 Laws. As recommended by Councilmember Trachtenberg, the report describes the
31 various amendments or the arguments presented for and against the original laws and for
32 the amendments considered since the law's conception. And this report will undoubtedly
33 lead you to ask questions, which based on OLO's review of the legislative history, I may or
34 may not be able to answer. I recommend that staff track the questions that come up today
35 or in subsequent discussions and we can work with Council staff to figure out the ways to
36 best answer the questions that emerge. On circle 2 of your handout is an outline of my
37 presentation this morning. That outline highlights some of the relevant dates and facts
38 from the report. And I will be referencing the outline and the tables in the handout during
39 the presentation. I will be giving some background and then summarize the establishment
40 of the Labor Relations Laws in Montgomery County. I'll then discuss 4 major issues
41 addressed in the laws and wrap up with a roadmap to the information in the report. And as
42 Councilmember Andrews said, this will take about 20 minutes. As I said a few moments

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1 ago, the report describes the history of Collective Bargaining Legislation in Montgomery
2 County and the record of the Council's legislative debates that led to the present-day
3 Collective Bargaining Laws. It's a history of the legal framework for collective bargaining
4 compiled from the Council's Official Legislative records and it does not discuss the
5 implementation of the laws which would be a separate exercise. And now, moving on to
6 Section 2 of the outline. In a generic sense, collective bargaining occurs when employee
7 and employer representatives come together to negotiate terms and conditions of
8 employment such as wages and benefits and working conditions. In 1935, Congress
9 enacted the Wagner Act, also known as the National Labor Relations Act, which governs
10 collective bargaining for private and nonprofit sectors. There is no corresponding federal
11 law governing collective bargaining for State and Local Government employees. Each
12 state has its own set of laws. In Maryland, State Law governs collective bargaining with
13 teachers but not for any other local public sector employees. Maryland Counties are left to
14 craft their own approaches to collective bargaining with their employees. However, in the
15 absence of State-enabling legislation which Maryland doesn't have, Maryland Charter
16 Counties must have a charter provision authorizing collective bargaining for their local
17 government employees. In Montgomery County, the charter was amended 3 times to
18 allow the Council to enact Collective Bargaining legislation, and the Council has done so.
19 Between 1976 and 2007, the Council reviewed 29 Labor Relations bills and enacted 23 of
20 them. The 2 tables on circles 3 and 4 of your handout provide a guide to the 29 bills.
21 Table 1 on circle 3 lists the 23 bills enacted by the Council. The second column indicates
22 which of the bills were adapted as an emergency or expedited legislation. The third
23 column lists the enactment date, and the fourth column provides a summary statement of
24 the subjects. The bills highlighted in gray in the table are the major bills that shape the
25 County's collective bargaining process. Table 2 on Circle 4 lists the 6 bills that the Council
26 introduced but did not enact. And before talking about specific pieces of legislation, here
27 are a few facts about the 23 bills that the Council enacted. The Council introduced 15 of
28 them at the request of the County Executive. 15 were approved by unanimous votes of
29 the Council and 12 were adopted as emergency or expedited legislation. And the
30 legislative process surrounding these bills span the terms of 6 different County Executives
31 and 10 County Councils. And the names of all of these elected officials are on circle 5 of
32 your handout. Moving on to Part 3 of the outline, I will now describe the history of
33 Montgomery County's Labor Relations laws. In 1976, County Executive James Gleason
34 proposed and the Council enacted what is known as the County's Meet and Confer Law.
35 This law allowed County Government employees to elect an employee organization to
36 represent them in discussions with County representatives about the terms and conditions
37 of their employment. Unlike collective bargaining, however, these Meet and Confer
38 discussions could not result in a binding contract or agreement. Under the Meet and
39 Confer Law, the County Executive had the right to make all final decisions about the terms
40 and conditions of employment. Many parts of this law became the foundation for the
41 County's Collective Bargaining laws. In 1980, 1984, and 1994, Montgomery County voters
42 approved amendments to the County's charter that allowed the Council to enact collective

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1 bargaining legislation. Based on these charter provisions, the Council enacted 3 separate
2 collective bargaining laws, one for police officers, one for other County Government
3 employees, and one for firefighters. And I'll now briefly talk about these 3 laws. In 1980,
4 Montgomery County voters approved a ballot question to amend the charter to require the
5 Council to enact collective bargaining legislation with binding arbitration for police officers.
6 A group of police officers affiliated with the Fraternal Order of Police sponsored the ballot
7 question because they viewed the Meet and Confer process as unworkable with one FOP
8 representative describing the process as an employee suggestion box with the anonymity
9 removed. After the voters approved the ballot question, County Executive Charles
10 Gilchrist with input from the FOP developed a bill authorizing collective bargaining for
11 police officers. And the Council debated the bill extensively, adopted--or amended several
12 portions of the bill including the subjects for bargaining and the Council's role in reviewing
13 the collective bargaining agreements and enacted the Police Labor Relations Law in April
14 of 1982. Jumping ahead a few years to 1984, voters approved another charter
15 amendment, this time authorizing collective bargaining legislation for many County
16 government employees. The language in this charter amendment which was initiated by
17 the County Council differed from the Police Collective Bargaining Charter language in two
18 ways. First, the language in the police section required the Council to enact legislation for
19 police officers, where the language in the new section authorized but did not require the
20 Council to enact collective bargaining legislation for other County Government employees.
21 Second, the language in the charter section on the Police Collective Bargaining required
22 binding arbitration, which I will define and discuss in a few minutes, and the 1984 Charter
23 amendment only required "arbitration or other impasse resolution procedures." The
24 Council's Personnel Committee developed the legislation that provided collective
25 bargaining rights for County Government employees, which the Council enacted in June
26 1986. Unlike for police officers and other County Government employees, the law that first
27 established collective bargaining rights for firefighters did not originate with a charter
28 amendment. In October of 1987, the Council enacted a law that transferred employment
29 of firefighters from the independent local fire corporations to the County Merit System due
30 to legal issues about overtime pay under the Federal Fair Labor Standards Act. And one
31 week after enacting that law, County Executive Sidney Kramer sent the Council proposed
32 legislation to give firefighters collective bargaining rights under the County Collective
33 Bargaining Law. It was not until 7 years after that, in 1994, that voters approved the ballot
34 question to amend the charter for firefighters. A group of career firefighters placed the
35 question on the General Election ballot that required the Council to enact collective
36 bargaining legislation with binding arbitration. The Council enacted the legislation
37 specifically for firefighters in 1996. Over the years, the Council has amended these 3 laws
38 more than 10 times. Some of the changes were significant such as amendments that
39 added groups of employees eligible for collective bargaining representation and
40 amendments that changed the process for resolving collective bargaining disputes.
41 However, some of the changes were also more technical such as repealing obsolete
42 provisions of the law. It's worth noting that many of the topics addressed in these laws

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1 have remained unchanged since their enactment, and I will point out more examples of
2 that as I now move to part 4 of the outline, the major issues addressed in the law. The
3 County's 3 collective bargaining laws address many topics that when combined make up
4 the County's process for collective bargaining. I'm going to talk about 4 major topics that
5 spanned the Council's discussions through the years. They are--which you can see listed
6 on the presentation outline-- which employees have the right to collectively bargain, the
7 topics for collective bargaining, how collective bargaining impasses are resolved, and the
8 Council's role in the collective bargaining process. One of the topics repeatedly debated
9 by the Council over the years has been which groups of employees should be eligible to
10 join an employee organization and bargain with the County over issues such as wages
11 and benefits and working conditions. The trend of amendments adopted since 2000 has
12 been to increase the groups of employees entitled to representation under the law, and to
13 extend collective bargaining rights to supervisors in the same bargaining unit as the
14 employees that they supervise. Table 4 on Circle 6 shows the employees included in the 3
15 original collective bargaining laws in the left column and shows the group subsequently
16 added in the right column. Following the model established in the 1976 Meet and Confer
17 Law, the County Collective Bargaining Law enacted in 1986 defined the term employee as
18 any merit-system employee working on a full-time or part-time career basis and then
19 excluded certain groups of employees from this definition. Examples of groups excluded
20 were department heads, supervisors, and employees who were--who reported to or were
21 supervised by the County Executive or the County Council. When the Council reviewed
22 the Police and Fire Collective Bargaining legislation in 1982 and 1987, respectively, the
23 Council with support both from County Executive Gilchrist and County Executive Kramer
24 excluded Police and Fire supervisors from the bargaining units. Participation under the
25 police collective bargaining law was limited to officers below the rank of sergeant and
26 participation under the fire collective bargaining law was limited to firefighters below the
27 rank of lieutenant. Then, between 2000 and 2005, the Council enacted 4 bills that
28 extended collective bargaining rights to additional groups of employees. The first bill gave
29 collective bargaining rights to police sergeants, the second bill to Fire and Rescue
30 lieutenants and captains, the third bill to temporary, seasonal, and substitute employees
31 and to certain employees in grades 27 and above, and the fourth bill to uniformed
32 sergeants in the Department of Correction and Rehabilitation. The second major issue
33 discussed by the Council over the years was the subjects over which the parties could
34 collectively bargain. The 3 collective bargaining laws list the subjects over which an
35 employee can bargain with the Executives' representatives, and subjects that are
36 prohibited from bargaining. It's important to note here that the Council has not changed
37 these mandatory bargaining subjects or these prohibited subjects since it enacted each of
38 the collective bargaining laws. The 3 tables on circles 7 through 9 of the handout list these
39 subjects for each of the collective bargaining laws. The 3 laws each includes 7 almost
40 identical mandatory bargaining subjects. They include topics such as salary and wages,
41 pensions and retirement benefits, and hours and working conditions. The subjects
42 prohibited from bargaining which are called employer rights in the laws differ somewhat

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1 among the laws. The police collective bargaining law lists 10 employer rights that are not
2 subject to bargaining and the County Government and Fire Collective Bargaining laws
3 each list the same 19 employer rights. And examples of employer rights include the right
4 to determine the overall budget and mission of the county government, the right to
5 determine services rendered by the county government and the right to transfer, assign
6 and schedule employees. One mandatory bargaining subject in the police law differs
7 significantly from the county government and the Fire Collective Bargaining laws. It is
8 what is commonly referred to as the police law's effects bargaining requirement. The
9 police law requires the County Executive to bargain over the effects on employees of the
10 employer's exercise of the employer's rights. In other words, when the employer exercises
11 his right to, say, transfer employees, the County must bargain with police employee
12 representatives over the effects of this transfer on the employees. The wording of this
13 requirement is next to the square bullet on the table on circle 7. And compare it with the
14 effects bargaining language in the County and Fire Collective Bargaining laws in the 2
15 tables on the following pages, and that language is also marked with square bullets. The
16 County and the Fire Collective Bargaining laws require the Executive only to bargain over
17 the effects of management decisions when a decision causes a loss of union jobs. During
18 the Council's review of the County Collective Bargaining Bill, County Executive Gilchrist
19 specifically recommended not including the effects bargaining language from the police
20 law in the County Law because of the impact the police language had had on the
21 Executive's ability to make management decisions. The final version of the bill adopted by
22 the Council adhered to the Executive's recommendation and did not include the police
23 effects bargaining language. The third topic I'm going to talk about is the mechanisms in
24 the law for resolving disputes or impasses between the parties during the collective
25 bargaining process. Today, all 3 laws include binding arbitration as a mechanism for
26 resolving impasses. As I stated before, the section of the charter requiring the Council to
27 enact police collective bargaining legislation also requires the law to include binding
28 arbitration. In the context of collective bargaining in Montgomery County, binding
29 arbitration is a process for resolving disputes between employee representatives and the
30 employer where a neutral individual who is jointly selected by the parties reviews
31 competing proposals on issues where the parties cannot agree and chooses one proposal
32 as the final binding agreement. Under the collective bargaining laws, the parties are
33 required to accept the third-party's decision. Unlike the Police and Fire Charter
34 amendments, the charter amendment authorizing collective bargaining for other County
35 employees authorizes the Council to include arbitration or other impasse resolution
36 procedures. The collective bargaining legislation for Montgomery County employees
37 originally included a non-binding fact-finding process to resolve disagreements during the
38 collective bargaining process, rather than binding arbitration. In 2000, the Council
39 amended the County Collective Bargaining Law to include binding arbitration. The final
40 topic I am going to review this morning is how the law outlines the Council's role in the
41 collective bargaining process. Each of the collective bargaining laws requires the Council
42 to accept or reject certain terms and conditions of the collective bargaining agreement. If



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1 the Council rejects a term or condition in an agreement, the law requires the parties to
2 renegotiate that portion of the agreement with input from a Council representative and
3 resubmit that item to the Council for approval with one exception, the County executive
4 must submit to the Council in the executive's proposed annual operating budget 3 types of
5 items from collective bargaining agreements. They are those that require the appropriation
6 of funds, those that require the enactment or adoption of the County law or regulation, or
7 those that have a present or future fiscal impact. The exception is the police collective
8 bargaining law which does not require the Executive to identify items that have a current
9 of future fiscal impact. All 3 laws establish a process and a timeline during the annual
10 budget process for the Council to review these items and to indicate its acceptance or
11 rejection of the items in a Council resolution. Descriptions of Councilmembers' discussions
12 in 1982 during deliberations over the police collective bargaining law-- excuse me--
13 indicate that the Councilmembers understood that when the Council accepted or rejected
14 terms of a collective bargaining agreement, it would not know the full give-and-take that
15 went into creating the agreement. Even so, the Council rejected the suggestion to limit its
16 authority to govern the appropriation of county funds or the modification of county law.
17 During these 1982 deliberations, several organizations and individuals suggested creating
18 a process where the Council did not have any authority to review portions of the collective
19 bargaining agreement, where the final contract negotiated between the executive and
20 employee representatives would be the final enforceable contract, but the Council rejected
21 this approach. I will finish up my presentation with a brief description or a brief road map
22 to the report and to the appendices. Chapter 3 in the report summarizes the history of
23 collective bargaining laws and the 4 issues that I have discussed today. The remaining
24 chapters describe in detail the 29 bills reviewed by the Council. Most of these chapters
25 include descriptions of public hearing discussions, Council work sessions on the bills, and
26 track changes made by the Council between introduction and final adoption of these bills.
27 In addition to the report itself, there are 2 appendices. The spiral bound appendix which
28 each of you have contains the relevant sections of the charter, current collective
29 bargaining laws, and the final versions of the 23 bills enacted by the Council. OLO is also
30 in the process of finalizing a second appendix that will contain the source documents
31 referenced in the report, and this second appendix will be available online within the next
32 week or so. Thank you for the opportunity to discuss the report with you. I hope it
33 becomes a useful resource document for you and others in the county, and I am happy to
34 answer any questions that you would have.

35
36 COUNCIL PRESIDENT ANDREWS:

37 Thank you very much. That was an extremely well-organized report, a model in terms of
38 structure and very thoroughly done and the first resource of its kind we've had done in the
39 county on this subject. So, excellent work. Thank you.

40
41 LESLIE RUBIN:

42 Thank you.

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1
2 COUNCIL PRESIDENT ANDREWS:

3 I think, just briefly, it underscores the central role the Council's always played on collective
4 bargaining in terms of establishing who is in it and what it covers and, clearly, the role the
5 Council has on final approval, anything that affects funding or requires a legislative
6 change. What is even more impressive about the report is the depth you went into in
7 terms of tracking how bills changed over the years through debate and discussion which
8 is more detailed than most reports usually include but is an excellent resource for this
9 because, again, it has not been done before and now it's in one place. So, thank you for a
10 good job. And I will now turn to my colleagues. I saw Councilmember Elrich's light on first
11 and then we will just go across the room. Councilmember Elrich.

12
13 COUNCILMEMBER ELRICH:

14 I want to thank you for the report as well. I can't say that all of my questions are resolved,
15 but I think you probably anticipated that there would be questions. I want to get some
16 things clear in my head because we had this discussion a couple of weeks ago and I was
17 very disturbed by the tone of the discussion and the direction of the discussion and it's not
18 clear to me when it comes to authority and approval what all that means anymore. So I
19 guess my first question is, "When we make an agreement with one of the unions, who is
20 that agreement between?"

21
22 LESLIE RUBIN:

23 The agreement is between the County Executive and the unions. In the law, the laws all
24 refer to the employer, and that is defined as the Executive or the Executive's designees.
25 So the actual agreement is between the County Executive and between the unions, but
26 the Council does have authority to approve or reject to certain portions of the agreement
27 in the budget process.

28
29 COUNCILMEMBER ELRICH:

30 So, is the Executive the stand-in for the county government in this case?

31
32 LESLIE RUBIN:

33 Yes. The laws actually use the term "employer" throughout the law, and it is the Executive
34 who is the employer.

35
36 COUNCILMEMBER ELRICH:

37 But it's an agreement between the unions and the County government?

38
39 LESLIE RUBIN:

40 No, it is an agreement between the county... My understanding under the law is that it is
41 an agreement between the Executive-- between the employer, who is the County
42 Executive and the unions.

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COUNCILMEMBER ELRICH:

Okay. So they make this agreement...

LESLIE RUBIN:

Mm-hmm.

COUNCILMEMBER ELRICH:

And then they bring it over to or parts of it over to the Council?

LESLIE RUBIN:

Yes.

COUNCILMEMBER ELRICH:

What do we do--I mean other than rejecting a part of it which I guess we could do?

LESLIE RUBIN:

Yes.

COUNCILMEMBER ELRICH:

Does not rejecting it mean acceptance?

LESLIE RUBIN:

It depends. If you are talking about the appropriation of funds, if the agreement requires the Council to appropriate funds, then you affirmatively have to do that. Sometimes the agreement might require a certain change to county law. If it does that, then the Council has to either change the law or not.

COUNCILMEMBER ELRICH:

And if we don't, what happens?

LESLIE RUBIN:

Then if you reject a portion, they can either go back and renegotiate the agreement or--I don't know-- theoretically, they could just do nothing. If you don't enact the law, I don't know if they would renegotiate or not.

COUNCILMEMBER ELRICH:

So if there is an agreement between a union and the Exec and we don't choose to enact something that enables that, both parties on the other side could do nothing or they could choose to try to negotiate something which the Council would then accept?

LESLIE RUBIN:

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1 Correct.

2
3 COUNCILMEMBER ELRICH:

4 Where does binding arbitration fit into this? Because I thought "binding" meant it was
5 binding.

6
7 LESLIE RUBIN:

8 Binding arbitration--it's binding between the Executive and the unions. So, while they are
9 negotiating an agreement, if they come to an impasse, they can't resolve certain issues,
10 then they would get submitted to binding arbitration. And the way--there are a couple of
11 ways binding arbitration can differ. The way it works in the county is that they have to
12 submit an entire package of issues that they can't agree upon. So if you are talking about
13 a whole collective bargaining agreement, you might have 70% of the agreement that they
14 agree to all of the terms and you might have 30% where they don't. The parties have to
15 submit a complete package of all of those issues.

16
17 COUNCILMEMBER ELRICH:

18 And it's all-or-nothing bargain at that point?

19
20 LESLIE RUBIN:

21 Right. And they pick one package or the other, it's not issue by issue.

22
23 COUNCILMEMBER ELRICH:

24 And then even after that, the Council could reject any agreement reached by binding
25 arbitration?

26
27 LESLIE RUBIN:

28 Correct. Correct.

29
30 COUNCILMEMBER ELRICH:

31 If in the course of the--let's say, in year one, the Executive sends over whatever this stuff
32 is and we, the Council, acts to accept that. I suppose there are things in there which aren't
33 money issues but they are process issues, you know, that things will be done this way,
34 grievances will be handled that way, this is bargainable, this isn't, you can wear this, you
35 can't wear that, you can do your laundry X but not Y. Does the Council formally accept all
36 of those things?

37
38 LESLIE RUBIN:

39 No, no. It is just the 3 issues that--only the 3 issues that I had said:
40 the appropriation of funds, the issues regarding law and regulations, and things that have
41 a present or future fiscal impact. Those are specifically the 3 types of items that the



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1 Council reviews. Other items, like you said, grievances or what color uniforms people
2 wear, those things are not reviewed by the Council.

3
4 COUNCILMEMBER ELRICH:
5 Or processes for doing things?

6
7 LESLIE RUBIN:
8 Correct, or processes. That is correct.

9
10 COUNCILMEMBER ELRICH:
11 So if the Council agrees to something in year one, is that acceptance of the agreement?

12
13 LESLIE RUBIN:
14 No. Each year, the Executive has to bring back in his annual operating budget the items
15 for the-- you know, that are-- for the future fiscal year. I should actually amend what I said.
16 If a process is established in a regulation, that is something that the Council would review.
17 So, I know a lot of processes get put into-- turned into executive regulations which the
18 Council does review.

19
20 COUNCILMEMBER ELRICH:
21 And there is a time frame for reviewing executive regulations, right?

22
23 LESLIE RUBIN:
24 I believe there is.

25
26 COUNCILMEMBER ELRICH:
27 So if there were agreements between the Executive and unions that the Council either
28 takes no action on, de facto accepts or whatever, can the Council go back in at any point
29 later on and say we want to change this regulation or this process?

30
31 LESLIE RUBIN:
32 That is a question that I'm not sure on, but I can research that and get you an update.

33
34 COUNCILMEMBER ELRICH:
35 But I think that's sort of a fundamental question. It doesn't look-- frankly, it doesn't look like
36 much of a bargaining process if the Council could undo anything that's been bargained.
37 That is not bargaining. That is, basically, you know, make your best deal over there and
38 see what happens over here and I am kind of uncomfortable with a process that's as
39 unstable as that. And I am particularly uncomfortable when it gets to the question I just
40 asked. If we accept and don't act on regulations that have been enacted as a result of the
41 collective bargaining agreement and then assert 3 years, 5 years, 10 years down the road
42 that we somehow have the right to go back in and change regulations without bargaining

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1 them, that seems kind of strange. It seems outside the scope of what we ought to be able
2 to do.

3
4 LESLIE RUBIN:

5 I am not 100% versed in the law regarding regulations, but my understanding is I believe
6 that regulations are initiated by the Executive and not by the Council. So I do not know if
7 the Council can go back in on its own initiative and change a regulation that's been
8 approved. But I can research that.

9
10 COUNCILMEMBER ELRICH:

11 If we changed that, would it trigger a requirement to bargain? And can the Council, in fact,
12 trigger a bargaining? We've talked about re-openers. Is the executive the only one that
13 can trigger a re-opener or could the Council trigger a re-opener and then require the
14 executive to rebargain somewhat?

15
16 LESLIE RUBIN:

17 I believe... I have the law right here and I could look it up. But I believe that the re-opener
18 process in the law implicates the Executive and the unions, not the Council.

19
20 COUNCILMEMBER ELRICH:

21 That's what I thought. A slightly different tack of question. In the bargaining process, I
22 know that the Council is not part of the bargaining, and I think one of the disadvantages
23 we have is that whatever deals are made are constructions of give-and-takes between 2
24 parties. The Council has absolutely no knowledge of what any of the give-and-takes are.

25
26 LESLIE RUBIN:

27 Correct.

28
29 COUNCILMEMBER ELRICH:

30 So we're basically... We do not know what was given to get what.

31
32 LESLIE RUBIN:

33 Correct.

34
35 COUNCILMEMBER ELRICH:

36 I know we do not have a formal role in the bargaining. Is there anything to prevent the
37 Executive or the Council just from saying, "We would like observers in the bargaining
38 process?" even if we do not vote, even if we do not have any authority to approve or
39 disapprove in the bargaining? Could the Council have representatives who attend the
40 bargaining sessions? And I guess one of my... what I think-- this may be important-- is that
41 agreements seem to be reached but nobody knows anything about it. All we see is the
42 final product and we have no idea of any of this process that goes on to get to the final



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1 product. An Executive might make agreements which-- let's just say somebody were to
2 give away huge sums of money that were totally unrealistic to sustain and then bring over
3 such agreements to the Council and the Council would have not seen anything until the
4 point that that came over here. I think it might be useful if Councilmembers knew during
5 the bargaining process the direction of the bargaining so that we might provide some input
6 on some things. We ultimately-- apparently, we're the only ones who can approve and can
7 change at will. I mean, it seems odd to have the power to change things at will and yet
8 know nothing about the process that got us to that point in the end. And I'm wondering if
9 there's a way for us to have more knowledge or some informal participation in the process
10 so that we can both provide the Executive with, you know, thoughts and guidance, but
11 also have more information ourselves where we are weighing what is appropriate or not
12 appropriate for us to do. I'm just troubled by what seems to me a far more convoluted and
13 less open process than I thought it was in the beginning.

14
15 **LESLIE RUBIN:**

16 And I guess I could say 2 things. First, I've had some informal discussions with the
17 attorneys on Council staff about that issue. As I understand, there are probably
18 implications if the Council becomes involved in the actual bargaining process in some
19 way. I can probably get some more definitive answers for you about what those
20 implications are. The other interesting point, historically, is that when the Council in 1982
21 was looking at the police collective bargaining legislation, they had discussions almost
22 identical to this question and to a lot of the discussions that came up last May during the
23 bargaining process or during the--I'm sorry-- the budget process. Exactly what you're
24 saying--you know, what is the Council's role, we don't know what went into these
25 discussions, and those issues were debated back in 1982. They came to the same
26 conclusions that even though they are not necessarily there in the process, they do not
27 know what went into the give-and-take that reached the, you know, that led to the final
28 agreement. But at the same time, the Councilmembers at that time felt it very important to
29 give themselves the final say over certain portions of the agreement, the ones that are
30 outlined in the law.

31
32 **COUNCILMEMBER ELRICH:**

33 Just for my colleagues to know where I'm coming from with this one. When I served on the
34 Takoma Park Council, the Council was intimately involved in negotiations. We didn't
35 actually sit down with the union and do the negotiation. That was done by the personnel
36 manager and the city manager, but the parameters of agreements and dispositions of
37 sites were routinely presented to the Council so that the Council would have the
38 discussion about, you know... they are asking for an increase in the vision benefit here,
39 you know, we think that we can do this but we cannot do this, we would like more control
40 over this area and we had a far greater role in shaping the agreement that everybody in
41 the Council knew everything that went into putting an agreement together. So there was
42 no simply looking at the end of it and saying I don't like this piece of a sausage without



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1 knowing how that sausage actually got ground up. And I find that we're at really... I think at
2 a serious disadvantage to only look at one side of this or only the output of it and not have
3 any knowledge of what goes on in the process. So as somebody who had to make calls
4 on decisions as a Councilmember, I found it very useful to be engaged, much more fully
5 engaged in the negotiating process than we are here. I do not know what I would propose
6 at this point, but I think it is something that we might want to think about. It certainly makes
7 us more active participants and I think more knowledgeable participants in the
8 agreements that we're signing.

9
10 **LESLIE RUBIN:**

11 I do know-- oh, I'm sorry-- were you going to...

12
13 **COUNCILMEMBER ANDREWS:**

14 Go ahead, and then we'll--

15
16 **LESLIE RUBIN:**

17 And I just anecdotally... I do know that different counties-- and I am taking this from a
18 presentation that Bob Drummer several months ago on collective bargaining where he
19 said that some counties in Maryland or at least portions of their collective bargaining law
20 require open negotiations where it is a public process. It is not a common type of structure
21 to have for collective bargaining but there are more different structures for collective
22 bargaining that are out there than what we have here in Montgomery County.

23
24 **COUNCIL PRESIDENT ANDREWS:**

25 That is true. There are some places that require bargaining be done in public. There are
26 some that require a portion of it, like the opening positions, to be presented publicly and
27 then negotiations are then done in private. There are various ways that it's done around
28 the country. So, there's not one model that's true. I'll move across to Council Vice
29 President Berliner then to Councilmember Ervin and Leventhal, and then back to
30 Councilmember Floreen.

31
32 **COUNCIL VICE PRESIDENT BERLINER:**

33 2 questions. One is a follow-up to Councilmember Elrich's exploration with you with
34 respect to the role of the Council in the process. As I heard your answer to his question
35 with respect to Council participation, what I heard was to the extent to which the Council
36 would be an active participant in the negotiating process that would have-- I believe you
37 said "implications" with respect to that. I assumed that there would be a legal distinction
38 between active participation and observer status in which one is simply, as
39 Councilmember Elrich noted, observing in order that this body could be informed of the
40 give-and-take without actually participating in the negotiating process in any formal sense
41 itself. Is that a distinction which you would--and if you haven't been advised, I understand
42 that these are legal matters that I would appreciate getting counsel, legal counsel, to

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1 provide us with an opinion with respect to whether that's a distinction that is significant as
2 a matter of law.

3
4 LESLIE RUBIN:

5 Right. And I am not advised as to those-- the practical distinctions, but we can work to get
6 you an answer to that.

7
8 COUNCIL VICE PRESIDENT BERLINER:

9 I appreciate that. My other question related to the mandatory arbitration process and the
10 parameters of that and the extent to which those parameters are established by our law.
11 For example, you noted the all-or-nothing aspect of our arbitration process. Is that our
12 choice to establish that all-or-nothing process?

13
14 LESLIE RUBIN:

15 Yes, it is. I think one of the bills, in fact... One of the bills not adopted by the Council back
16 in 2006 was a proposal to allow an issue-by-issue--look at it issue-by-issue under the
17 impasse resolution process rather than as a whole package. So, the fact that we do it by a
18 whole package is something that is set up in the law.

19
20 COUNCIL VICE PRESIDENT BERLINER:

21 And which is our choice?

22
23 LESLIE RUBIN:

24 Yes, yes.

25
26 COUNCIL VICE PRESIDENT BERLINER:

27 Secondly, with respect to whether it's our choice, is it our choice as to the way in which
28 the package is assessed? Do we define for the arbiter the criteria by which that decision is
29 made?

30
31 LESLIE RUBIN:

32 Yes. There are criteria outlined in all 3 laws to help the person, the arbiter, make the
33 decision. So, yes, it is defined in law.

34
35 COUNCIL VICE PRESIDENT BERLINER:

36 Thank you.

37
38 COUNCIL PRESIDENT ANDREWS:

39 Thank you. Councilmember Ervin?

40
41 COUNCILMEMBER ERVIN:

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1 It's okay. Thank you very much, Leslie, for your presentation. It was really helpful. I
2 actually took this home and I dog-eared the page that we're all talking about right now,
3 and that's on circle 64 of the Bid Book. And my questions are very consistent with the
4 ones that have already been addressed by Councilmember Elrich and Councilmember
5 Berliner. And in the code-- it's interesting because this came up in a committee which
6 gave rise to the Chair asking for OLO assistance on this issue and that is that the Council
7 may accept or reject all or part of any term or condition in the agreement which:
8 one, requires an appropriation of funds which is what we do. So, clearly-- and before that,
9 under N, the Council may hold a public hearing to enable the parties and the public to
10 testify on the agreement. And the most important piece of this was that if the Council
11 indicates its intention to reject any part of the party's final agreement, it must select a
12 representative to meet with the parties and present the Council's views in the party's
13 further negotiation on matters that the Council has indicated its intention to reject. So, at
14 any point in this process, going back to the Councilmember Elrich's comments, we do, by
15 the charter, have a role to play if we want to.

16
17 **LESLIE RUBIN:**

18 Yes. Yes. Under the law, if you do reject a portion of the agreement, yes. At that point, the
19 Council can appoint a representative to meet with the parties and to make the Council's
20 intentions known to the parties to help the parties bring back an item that will be
21 acceptable to the Council.

22
23 **COUNCILMEMBER ERVIN:**

24 Okay. So, let me go back to what Mark asked because we have been here before and we
25 have asked some similar questions before, and that is:
26 Bargaining is a long process. It could be 6 to 8 months, a year... a long process. And if
27 we, the Council, wanted to have a representative at the table, would that require us to
28 have to--I'm just getting into, you know, let us really think about this. Would we have to
29 hire a staff person to be available to attend all bargaining sessions which could be
30 numerous over a very long protracted period of time? I do not think that that's a bad idea,
31 because what we are being asked to do is not only are we being asked to appropriate
32 funds, but we do not know the give-and-take. And the difference between private sector
33 bargaining and public sector bargaining is that public sector bargaining is political in
34 nature. I cannot imagine that the County Executive would be in any way, shape, or form
35 agreeable to allowing public access to that process. Because in the give-and-take of
36 bargaining, there are things that he is going to be saying at the table that he does not
37 want us to hear or anybody from the public to necessarily hear. That's the very nature of
38 collective bargaining. And so, I think this is a really, really great conversation for us to be
39 having right now. We have a half billion dollar budget shortfall. We have all the unions in
40 negotiations right now. Not all of them? The school unions are bargaining. Everybody? As
41 of yesterday, nobody. Well, you know something I do not know. But I think that this has
42 been extremely helpful for me to hear all this long history of Councils prior to ours,



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1 Executives prior to Ike Leggett, and the back-and-forth on this issue. Clearly, we are not
2 the first Council to ask similar questions and be concerned about similar issues. So I think
3 this is really a great report. It is one of the few that I have had to dog-ear to go back to,
4 because we all sort of like zeroed in on some very similar questions because, by the very
5 virtue of the role that we play vis-a-vis, this bargaining and everything else, we really need
6 to have some clear guidance, I believe in terms of where we want to go. So, thank you for
7 all your hard work.

8
9 COUNCIL PRESIDENT ANDREWS:

10 Thank you, Councilmember Ervin. Councilmember Leventhal?

11
12 COUNCILMEMBER LEVENTHAL:

13 Thank you, Mr. President. Let me congratulate you, Mr. President. I spoke earlier on the
14 transportation package and neglected to offer you my warm and public congratulations.
15 You're the longest serving member of this Council and you're certainly ready for this
16 responsibility. It is going to be great working with you in the coming year. And also to our
17 Council Vice President Roger Berliner who is one of our newer members, but who is
18 always a pleasure to work with and very candid and easy to get along with, so I am
19 looking forward very, very much to both of your leadership. I listened carefully to your
20 remarks, Mr. President, and I understand that 2 of your priorities are to reform disability
21 retirement and you requested that employees forego a COLA. Now, I also listened to the
22 other new president, President-elect Obama, in his speech on November 4th in which he
23 said teachers ought to get paid more; and I think that most Americans agree with that. So,
24 what I am trying to do just briefly in the next minute or so is to step back for a moment and
25 try to understand-- as much as I agree with Councilmember Ervin and I appreciate this
26 report and we're all going to learn a lot from having the benefit of the legislative history is
27 are we going to move in a direction that is, as you've promised and I have every
28 confidence that we will, collaborative and consultative? Or is there some other goal in
29 mind? I want to say with respect for all of my colleagues, the memo that was sent
30 regarding disability retirement recently was not the most collaborative exercise that has
31 ever taken place on this Council. So there might have been a statement regarding reform
32 of disability retirement that I might have signed on to. If there is anything that you said in
33 your remarks on that topic, Mr. President, that I disagree with. However, I was not really
34 offered an opportunity to have input into the memo that was recently sent. With respect to
35 foregoing COLAs, it may be that Mr. Elrich has information that I'm not privy to. I have
36 been in contact with our employee organizations and they're ready to forego COLAs, I
37 believe. I mean, they are negotiating or at least they were until very recently. So, if there is
38 some recent step or some recent statement--you know, I know the career firefighters are
39 advocating for the ambulance fee. I mean, there are twists and turns in the bargaining
40 process, but the point I want to make is that the employee organizations themselves
41 recognize that agreements that were reached in better times will no longer be adhered to
42 under the economic circumstances we are now facing. And I am the first one to say we



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1 cannot afford generous agreements agreed to in better times. We're going to have to see
2 a different agreement and the employee organizations recognize that. They know that.
3 They are part of the dialogue now. They have, until very recently, been involved in
4 bargaining. Again, if Mr. Elrich has information that's more recent than mine-- I mean, I
5 saw several of them last night at the Arts Ball, but maybe there is something that
6 happened very recently. I don't know. Okay?

7
8 [SOMEONE SPEAKS INDISTINCTLY]

9
10 COUNCILMEMBER LEVENTHAL:

11 But it is important to recognize that the employee organizations are not being recalcitrant.
12 They are involved in this dialogue. They read the newspaper, too. They know what is
13 going on. But the history that we see here in this document is the history that over many,
14 many years, consistent with what President-elect Obama had said, the elected officials in
15 Montgomery County have sought to treat our policemen, our teachers, our firefighters, our
16 bus drivers, our social workers, our public servants fairly and reasonably and give them a
17 voice through their employee organizations. I think that those are still important principles
18 to adhere to. So my hope is that we will act in a way that is consistent with the tradition on
19 the history of this county while recognizing that we're in an economic crisis. We all know it.
20 The employer organizations know it. You know it, Mr. President. Again, of those goals that
21 you articulated that are directly related to these topics, disability retirement and having to
22 forego a COLA in the coming year, I am very consistent with your goals on that. I hope
23 that we will act, under your leadership and I have every confidence that we will, as a body
24 and that we will not seek issues to divide us, that we will work together with our excellent
25 employees as well.

26
27 COUNCIL PRESIDENT ANDREWS:

28 Thank you, we will. All right, Councilmember Floreen is next, then Councilmember Knapp,
29 then Councilmember Trachtenberg. All right.

30
31 COUNCILMEMBER FLOREEN:

32 Okay. Thank you. Very interesting report, Leslie. I want to draw your attention to page 19
33 of the report which basically goes to the points that folks have been discussing to a certain
34 degree which is the role of the Council in process and I just wanted to be clear about what
35 the current situation is. You say, under the current law, as I understand what you're telling
36 us here, that "the County Executive must describe--" and I'm just reading what you report--
37 - "must describe in the Executive's proposed annual budget any collective bargaining
38 agreement or amendment that will take effect and estimate the cost to implement the
39 agreement."

40
41 LESLIE RUBIN:

42 Yes.

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COUNCILMEMBER FLOREEN:

Now, is that an annual obligation or simply just after a change has been agreed to?

LESLIE RUBIN:

No. I believe it's an annual. It's an annual--

COUNCILMEMBER FLOREEN:

So we should be expecting in each annual budget-- I am not sure if we have gotten it-- a description of the cost of current labor agreement's full cost.

LESLIE RUBIN:

Because each year, theoretically, the labor agreements could have different costs. If you have a 3% COLA in one year, 4% COLA in the second year, you're going to have different costs each year.

COUNCILMEMBER FLOREEN:

Right. So that is currently a legal obligation?

LESLIE RUBIN:

Yes.

COUNCILMEMBER FLOREEN:

Can I ask--Mr. Farber's here. Have we been getting that, Mr. Farber?

STEPHEN FARBER:

Yes, we have. Certainly, in particular, with respect to any new agreement. The Executive's March 15th budget transmittal includes the parameters of that. And then what it tends to do is to refer back with respect to agreements that were reached a year or two earlier to those by reference.

COUNCILMEMBER FLOREEN:

So, we are getting a full estimate of the annual cost to implement the collective agreements?

STEPHEN FARBER:

Yes, we do. We receive that information very precisely in the workforce and compensation section of the budget and the supporting materials we get from OMB.

COUNCILMEMBER FLOREEN:

And Leslie, what you're describing apart from agreements that would require our action of just some change of law, what I understand, at least under the current law, is our current

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1 role is a decision of whether or not to fund what is in that agreement between the County
2 Executive and the different bargaining units?

3
4 LESLIE RUBIN:
5 Correct.

6
7 COUNCILMEMBER FLOREEN:
8 And as it is-- and if we choose-- and that is the annual decision we basically make in
9 May? Correct?

10
11 LESLIE RUBIN:
12 Correct.

13
14 COUNCILMEMBER FLOREEN:
15 Given our assessment of the overall budgetary situation?

16
17 LESLIE RUBIN:
18 Yes.

19
20 COUNCILMEMBER FLOREEN:
21 So, that is the point in time classically, traditionally, where the Council has a collective
22 bargaining function with respect to-- under the current laws. Is that correct?

23
24 LESLIE RUBIN:
25 Yes. Part of it is in April. I mean, you said May, but yes, there are dates set out in the law
26 also that established by when the Council has to look at these appropriation of funds and
27 indicate their intention to fund or not fund. But it is during the annual budget process.

28
29 COUNCILMEMBER FLOREEN:
30 And that's the official point? So I just wanted to be clear. That is our legal opportunity at
31 this point in time to engage?

32
33 LESLIE RUBIN:
34 Yes.

35
36 COUNCILMEMBER FLOREEN:
37 Based on the overall budgetary situation?

38
39 LESLIE RUBIN:
40 Yes.

41
42 COUNCILMEMBER FLOREEN:



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1 Okay. I wanted to be clear about that-- to obviously may change-- we may certainly have
2 significant interest in how this is going to work. But our legal opportunity to participate, at
3 least currently, is confined to that period?

4
5 LESLIE RUBIN:

6 Yes. For the appropriation of funds, theoretically, the requirements that if a law is sent
7 over, a regulation is sent over for you to look at, you will also do--I believe look at that
8 during the budget process. But, theoretically, the enactment of that or the approval of a
9 regulation could extend beyond the budget process, I would guess. But for the
10 appropriation of funds and for the fiscal parts of agreements, you do look at that during
11 that combined time period of the budget process.

12
13 COUNCILMEMBER FLOREEN:

14 So, if we are unable to fund some element of the agreements that have been entered into,
15 it's at that point that we appoint a representative?

16
17 LESLIE RUBIN:

18 If you, being the Council, decide to reject a portion of the agreement that has been sent
19 over, then yes. Then if you say, we are going to reject this, then the parties have to go
20 back to negotiations and, at that point, the Council can appoint a representative to speak
21 with the parties, the parties being the Executive or his representatives and the unions
22 about the Council's views on whatever item or whatever the item is.

23
24 COUNCILMEMBER FLOREEN:

25 But, again, that's within the context of the budgetary process?

26
27 LESLIE RUBIN:

28 Correct. Correct.

29
30 COUNCILMEMBER FLOREEN:

31 So, is it a subset of cost that we would be looking at in that context? You know, we can't
32 fund, I don't know, pick a category. Or is it an overall number that we are unable to fund
33 that we need to take a position on?

34
35 LESLIE RUBIN:

36 I believe it is item by item that you can look at it at any term of an agreement that the
37 Executive identifies as requiring the appropriation of funds. And I believe...

38
39 COUNCILMEMBER FLOREEN:

40 Do you think it is a specific item or element?

41
42 LESLIE RUBIN:



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1 I believe so, yes.

2
3 COUNCILMEMBER FLOREEN:

4 Okay. That's helpful. Thank you very much.

5
6 COUNCIL PRESIDENT ANDREWS:

7 Thank you, Councilmember Floreen. Councilmember Knapp.

8
9 COUNCILMEMBER KNAPP:

10 Thank you, Council President. I will be brief. Just a couple of quick comments. First, I
11 concur with what Councilmember Leventhal has indicated. I mean I have been meeting
12 with our employee organizations since we've concluded our last budget and I think they
13 have all recognized that with the economic conditions are what they are, they are willing to
14 do COLAs, and I think they're having conversations about a variety of other things. I would
15 just urge our Executive Branch to really kind of conclude this sooner than later because I
16 think it's going to be important for us especially as we look at our State legislature that we
17 have to have kind of all of our pieces on the table as quickly as we can. And so, I know
18 that--actually, there is more willingness on the part of our employee organizations to move
19 forward as quickly as possible so I'm hoping that the Executive Branch do that, too. One
20 of the things that kind of troubles me about--It is a very good report and very thorough and
21 I thank you very much. And so my comments aren't about the report per se. It is
22 interesting. In my previous life, I negotiated a lot of contracts and then had to manage a lot
23 of those contracts, the relationships that went with those contracts in the various
24 organizations. And it was interesting to me because I found that the framework for a
25 relationship, but at the end of the day, my clients were successful and they liked what they
26 did with us because of the relationship that we built in that framework. And so, contracts
27 can be very dry. It can be one side versus the other side and so it was the objective to put
28 the relationship together with that which, interestingly, when I first ran for office got me in a
29 position with many of employer organizations in the wrong direction. They were not
30 particularly favorable to me because I looked at the relationship piece and didn't fully kind
31 of appreciate the importance of contracts to them because that was the agreement and
32 then the relationship was something--and so, I was looking with more of the relationship.
33 And as I read through this, and I've seen those in the conversation today, we're talking
34 about parties and talking about groups in the abstract. And I struggle with that because we
35 as County Government have 33,000 people who help us to deliver the things that we do.
36 And to talk about those people in the abstract as the folks on the other side or this entity
37 that is out there, I struggle with. And I guess I appreciate Mr. Elrich's comments because I
38 think there needs to be a way that we get more engaged in the relationship because it
39 seems to me that the more of a conversation that we have that talks about sides as
40 though we are somehow apart is never going to work really well. And so, especially as we
41 get to a difficult year like this year, it's going to be about the relationship, and the contracts
42 that we have and how we manage those--I think it's just great and I think it's going to be a



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1 very good conversation for us to have because I think we need to think about it more and
2 how we get a little more engaged in it. But I would just also urge us to not necessarily
3 think about it so much in the abstract as though there are parties or there are these
4 groups out there--these kind of nebulous things. These are the folks who do this stuff for
5 us that allow us to actually implement the policies that we want to do. And we have to
6 have a pretty good relationship with them at the end of the day. Otherwise, the things that
7 we as policy-makers and legislators want to get done aren't going to happen very well.
8 And so, I think it's really important for us to keep that in mind and I think that sometimes
9 when you talk about contracts, when you talk about those terms, it does become
10 somewhat more abstract. And I've always found that the way that we can--where it's
11 ultimately successful is the relationship. And so, as we look at how this has evolved over
12 time, I think it should be very important for us to understand that context and to think
13 about how we interject more of the relationship piece into this because I think, ultimately,
14 that's how we're going to be successful in our contracts going forward and we're going to
15 be successful addressing the issues we have to as a community and as a County.

16
17 COUNCIL PRESIDENT ANDREWS:

18 Thank you, Councilmember Knapp. Councilmember Elrich?

19
20 COUNCILMEMBER ELRICH:

21 I think the issue of the affordability or sustainability of our wage base is a lot more
22 complex than people have made it. I frankly agree with the tenor of George's comments
23 on this. You know, it is really easy to glom onto the percentages. It's really easy right now
24 to say 8% is too much, and the post is great at saying, oh, an 8% increase is... But if you
25 were to take out the people who do--the instructional needs in the school system who
26 aren't making very much money, and you tried to hold them up as poster children of
27 excessive pay in Montgomery County? Good luck, because they couldn't buy or rent
28 anything in this county. And I think it's, you know--that we focus on the percentages and
29 we don't talk about what people really make. Now, when I say this is complex, part of this
30 problem is the number of people we have working here. I mean the County government
31 expanded greatly in good years with lots of money, and I think, frankly, without always
32 maybe thinking about what you could afford in the long term. We've added lots and lots of
33 employees. So, whether or not our budget and our salaries are sustainable is a
34 combination of the number of employees' times what they make. We could have a
35 sustainable budget with, you know, even with 8% increases with a lot fewer employees.
36 And I think George is also right. Everything I have heard and Mike as well from the unions,
37 is an absolute willingness to come to the table and talk about this stuff. So, why
38 demonizing or acting like we have to take bold, angry measures against, you know, the
39 unions? I think it is silly. I think we need a more cooperative approach to this. I made my
40 comments before but I don't know what other Councilmembers have heard, but I'm not
41 sure negotiations are going on right now, and I don't think that's a good thing. I mean, my
42 nightmare scenario for this is that there's a deadline for negotiations and if they do not



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1 reach an agreement, that the Executive brings over a budget for \$600 million in cuts which
2 we're not going to make \$600 million in cuts with the labor agreements intact. But the
3 Council will then simultaneously try to take out the labor agreements and then figure out
4 which of the \$600 million we can then put back. And that's a very difficult process for us to
5 do. And I think this needs to be settled out before we get that far. So, my question to you
6 or to the legal staff is, what do we need to do to ensure that there are negotiations
7 ongoing? I do not want there to be a deadline. I do not want, you know, this not to be
8 resolved until the first week of May when we try to put these things together. I really think
9 it's critical to try to send a message to make sure that the parties stay at the table and they
10 talk. I was interested in what Valerie raised about what that might involve and what the
11 process is for that because I think it is important to know what all the issues are--not only
12 the financial issues, but some of the other non-financial issues that apparently have found
13 their way onto the table. And we ought to make sure those discussions are held and then
14 we could go forward in a constructive manner, and we and the Executive both have better
15 numbers to work with than what might happen if things roll the way they seemed to be
16 rolling right now. So, I would hope that all of us, you know, not get caught up in a horrible
17 percentage increases, and if the same thing focus on-- yeah, it's real. Like George said,
18 it's a limited amount of money. We're not going to be able to fund that level. It's not
19 sustainable. But not being sustainable doesn't require us to say the increases are
20 outrageous. If we talk about increase without talking about what people make every day, I
21 find it to be a meaningless discussion. So, we don't need to go there.

22
23 COUNCIL PRESIDENT ANDREWS:

24 Okay, Councilmember Trachtenberg, then Councilmember Leventhal.

25
26 COUNCILMEMBER TRACHTENBERG:

27 Thank you, President Andrews. Well, the fact that we're sitting up here and expressing
28 different stories that have been heard, received from different folks is good confirmation of
29 why the communication on the collective bargaining topic and the ongoing budget crisis
30 that we face, on why communications need to really be improved upon. And I would
31 include better communications with the Executive Branch in that remark. You know, I want
32 to also address just very briefly a statement that was made about the letter that was
33 circulated around the Disability Retirement. The letter was circulated by my office, and it
34 was actually in response to a request that I received from other colleagues. And once we
35 had a working draft, I provided it to all Council offices. And George, your office was
36 provided with a copy at exactly the same time that the Council President received it as
37 well as Councilmember Floreen. As soon as someone was in your office, an electronic
38 version of it was circulated to both Walt and you. And I remember it quite well because
39 one of my staff members grabbed me as I was leaving the building on an appointment.
40 And I just want to make it clear that everybody pretty much got the letter to look at on
41 Friday. There was about 72 hours worth of time to evaluate it. There were a lot of phone
42 calls that were made and people coming into my office to discuss it. So, I just want to



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1 make it very clear that the letter was provided to everyone, and I took great pains to try to
2 work with those that first asked for the letter and then get it to everybody in a timely way.
3 You know, I would most assuredly agree with several colleagues who have raised the
4 issue of collaboration. The fact that we're not going to get through this difficult budget time
5 and we're certainly not going to be able to address the myriad of issues that relate to
6 collective bargaining if we can't do it collaboratively. And I would agree, Mark, that finger-
7 pointing and chastising employees is not what we should be doing, and we shouldn't be
8 doing it to union brothers and sisters either. But at the same time, I think, really, if we're
9 going to try to advance conversations and decision-making in a collaborative way in that
10 spirit, one thing I would point out is that it doesn't help us when for instance internal
11 conversations and documents that are being evaluated by us are circulated to people out
12 there in the community. And what I am speaking to is the fact that the letter that was
13 circulated on Friday about the Disability Retirement found its way into the hands of people
14 from the police union very quickly by the afternoon. And several of us, including myself,
15 spent those 72 hours barraged with phone calls and emails from a lot of angry people. It
16 was clearly my intention that once I had a letter prepared that a majority of Council
17 members agreed to that that letter in advance would be provided to members from the
18 FOP as a courtesy. That was clearly my intention. I never had the chance to exercise that
19 option, but I think it's important to note that if we're going to be collaborative, we've got to
20 be respectful of boundaries. And I feel I have to say that at this time. I am typically very
21 quiet and I don't engage in that kind of a combative posture, but when someone is going
22 to call into question what actions I took, and the fact I'm not collegial, I feel like I have to
23 respond to that. You know, no doubt, these conversations are going to continue, and I
24 look forward to that. Someone once asked me when I got here at the Council, what was
25 the thing that surprised me the most, and I said the fact that we get so uncomfortable with
26 uncomfortable conversations, and no doubt, this is going to be a very uncomfortable
27 conversation.

28
29 COUNCIL PRESIDENT ANDREWS:

30 One of the things I hope is that we'll wrap up soon. So, the first meeting I chair doesn't
31 consume too much of the lunch hour. And so, I will turn to Councilmember Leventhal and
32 then I will make a couple of closing remarks and we'll be back at 1:30 for a public hearing
33 and action. Councilmember Leventhal?

34
35 COUNCILMEMBER LEVENTHAL:

36 Yes, I just wanted to say there is... I am a great advocate of sunshine and openness. I
37 also appreciate that the Open Meetings Law provides for explicit protection for personnel
38 matters including collective bargaining. And so, I share Councilmember Trachtenberg's
39 desire that sensitive matters be handled sensitively. In this very conversation, we have
40 crept right up to the edge of discussing things on television and in the public eye that are
41 not really subject to a lot of public input. Personnel matters are private for a reason. The
42 collective bargaining process is closed for a reason. And so, I'm all in favor of

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1 communication. I'm all in favor of collaboration. I'm all in favor of openness. I'm all in favor
2 of sunshine. There are procedures by which collective bargaining takes place that are not
3 open to all comers, that are not handled on television, and there is a reason why. So, I
4 appreciate the Chair of the MFP Committee calling for sensitivity on sensitive matters. We
5 need to keep that in mind. It is important that we respect our employees. It is important
6 that we respect our taxpayers. I'm confident that the Council President appreciates that
7 we've got to achieve that balance. And what OLO has given us does not advocate for a
8 Council representative in the collective bargaining process. That came up in this
9 conversation. I think there's a big downside risk to that. And precisely, what
10 Councilmember Trachtenberg outlined about once you circulate something to 9 politicians,
11 you don't know where it is goes, particularly if it's in electronic format. So, let's be
12 respectful of the law. Let us be respectful of our employees. Let's understand that not
13 every aspect of bargaining need be, should be, nor is required to be conducted on
14 television and in the open. And that anyone who's advocating that everything ought to be
15 open, ought to go back and read the OLO report and study the law a little more closely.
16

17 COUNCIL PRESIDENT ANDREWS:

18 Thank you. This I think was the longest discussion that the Council has ever had on an
19 OLO report. So, it clearly--
20

21 COUNCILMEMBER TRACHTENBERG:

22 It's a must read.
23

24 COUNCIL PRESIDENT ANDREWS:

25 It's timely, of great interest, well done. A lot of issues that are timely and thought-
26 provoking--so, excellent work. You've got a lot of questions to follow-up on, and we look
27 forward to seeing the answers to those. And with that, we're going to break for lunch.
28 Come back at 1:30 for public hearing and action.

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TRANSCRIPT

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MONTGOMERY COUNTY COUNCIL

PRESENT

Councilmember Phil Andrews, President

Councilmember Roger Berliner, Vice President

Councilmember Marc Elrich

Councilmember Valerie Ervin

Councilmember Nancy Floreen

Councilmember Michael Knapp

Councilmember George Leventhal

Councilmember Don Praisner

Councilmember Duchy Trachtenberg

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1 COUNCIL PRESIDENT ANDREWS:

2 All right. Good afternoon, everybody. We're going to start with the second public hearing
3 because there's no action scheduled on that. And we don't need six people here for that
4 one. So, that's Expedited Bill 36-08, Personnel Retirement, and this is a public hearing on
5 it. The bill would make technical changes to the county retirement law and generally
6 amend the retirement law for county employees to comply with changes in federal law.
7 Persons wishing to submit additional material for the Council's consideration should do so
8 before the close of business on January 9th, 2009. And a management fiscal policy
9 committee work session is tentatively scheduled for January 15th at 2:00 PM. Please call
10 240-777-7900 for information. And we have one speaker, I think, for this, Wes Girling. Is
11 that right? I think that's right. There he is, all right, representing County Executive. Good
12 afternoon.

13
14 WES GIRLING:

15 Good afternoon. For the record, I'm Wes Girling. I'm the Benefits Manager in the County's
16 Office of Human Resources. Excuse me. And I'm here today to testify on behalf of the
17 County Executive in support of Bill 36-08. Under current Internal Revenue Service
18 procedures, every five years, the county must submit its retirement plans to the IRS to
19 receive determination letters confirming the tax qualified status of the plan. The county
20 last received determination letters for the retirement savings plan in December 2002 and
21 the employee's retirement system in January 2003. When we requested determination
22 letter, the IRS will review our plans to ensure your provisions are compliance with current
23 law, including the Economic Growth and Tax Relief Reconciliation Act of 2001. The
24 majority of the required changes that the IRS will be looking for when reviewing our plans
25 have already been incorporated into the County's Retirement Law. This bill makes
26 additional required changes needed to ensure the plans received a positive determination
27 letter including changes to the minimum distribution rules, increases to the limits on
28 contributions that can be made on behalf of a participant, increases in compensation use
29 to determine a participant's benefits and then some other technical amendments. I want to
30 bring to your attention one of the technical changes, deletes several references to the
31 term "domestic partner" in the plan. This is being done in order to comply with federal law
32 which does not recognize domestic partners for tax purposes. The deletions do not
33 change any benefits that otherwise would be due to a domestic partner under the plan.
34 Primarily, what happens is there is a timing provision for the distribution of payments and
35 a domestic partner is a non-spouse and would receive distributions from the plan sooner,
36 which means the service would tax the benefit sooner. Okay? And we look forward to
37 work with the Council on this program.

38
39 COUNCIL PRESIDENT ANDREWS:

40 Good. Thank you very much for your testimony and I don't see any questions. So, that bill
41 will tentatively be scheduled for work session before the MFP committee, that's January
42 15th. Okay, thank you very much. All right, we have one more public hearing, and this is a



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1 public hearing on a 3.3-- \$3,330,000 budget supplement to the FY09 Operating Budget for
2 their Washington Suburban Sanitary Commission's unbudgeted and/or unplanned
3 expenditures account. Action is tentatively scheduled for immediately following this
4 hearing and there are no speakers, but we do have Teresa Daniel here, Interim General
5 Manager in WSSC, if there are any questions about the supplemental appropriation and I
6 see Councilmember Floreen has her light on.

7
8 COUNCILMEMBER FLOREEN:

9 Well, I just wanted to say for the record, the T&E committee took this matter up--what's
10 today?--yesterday and we recommend approval.

11
12 COUNCIL PRESIDENT ANDREWS:

13 All right, that's \$900,000 for temporary generators for the Broad Creek wastewater
14 pumping station, \$830,000 for Montgomery and Prince George's County energy taxes,
15 \$1.6 Million for inspection of pre-stressed concrete cylinder pipe. All right, very good. So,
16 we have a motion then for approval. We need six votes on this, and all those in favor of
17 this appropriation, please raise your hand? That is unanimous among all nine. All right,
18 thank you very much. All right, we are right on time for our fiscal update. And we have
19 Steve Farber, our Council Staff Director to start us off and Joe Beach from the Office of
20 Management Budget and Jennifer Barrett from the Department of Finance. Welcome,
21 everybody. Mr. Farber?

22
23 STEPHEN FARBER:

24 Thank you, Mr. Andrews. The Council regularly reviews the fiscal plan of the county. This
25 is something the MFP committee, going back to 1993, started to do every six months. And
26 it is a process that is in the vanguard of what local governments nationwide do. And we
27 have put a lot of effort into it with OMB and Finance over the years. The Council last heard
28 from OMB and Finance on the County Fiscal Plan on September 23rd. And Mr. Knapp
29 and Mr. Andrews and I talked about the fact that the world has changed an awful lot since
30 then and that it would be useful to have an update today to see where we are, with the
31 understanding that any update of the fiscal plan must be seen as what it is, which is to
32 say, only one snapshot in time. I would imagine that an update done two months from now
33 or four or six months from now might show a different snapshot because the world
34 continues to change. But it is nonetheless useful to try to take a periodic look and see
35 where things appear to stand at the moment. You see on circles 1 to 9 the update that Mr.
36 Beach and Ms. Barrett and their colleagues have prepared. And we want to talk about that
37 in detail, but also about what the implications are for addressing the gap that results from
38 their analysis. And one point that I make in my memo is that last year, for fiscal '09, the
39 Council was able to close a large gap--it was then \$400,000,000--with the number of
40 measures. But two of those are not really going to be available this year. One was a
41 simple bookkeeping transfer of about \$33 Million in State social service funds from the
42 general fund to the grant fund, that really wasn't a cut, so much as a savings to the tax



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1 supported part of the budget. And the other, of course, as you recall, was property tax
2 above the charter limit. The Executive proposed a \$138,000,000 above, the Council
3 approved \$118 Million above. Those two components combined amounted to more than
4 40% of the gap closing measures last year. And in all likelihood, neither will be available
5 this year, which is in illustration of the challenge that will be before the Executive and
6 Council in the months ahead. With that, I'll turn to Mr. Beach and Ms. Barrett for a
7 summary of their presentation.

8
9 COUNCIL PRESIDENT ANDREWS:

10 Before we do that, let's have everybody introduce themselves, just starting there.

11
12 DAVID PLATT:

13 David Platt, Chief Economist, Finance.

14
15 ROBERT HAGEDOORN:

16 Rob Hagedoorn, Chief Division of Treasury, Department of Finance.

17
18 JOE BEACH:

19 Joe Beach, Director, OMB.

20
21 JENNIFER BARRETT:

22 Jennifer Barrett, Director of Finance.

23
24 ALEX ESPINOSA:

25 Alex Espinosa, Operating Budget Coordinator.

26
27 COUNCIL PRESIDENT ANDREWS:

28 Thank you. Go ahead.

29
30 JOE BEACH:

31 Thank you, Mr. President. I turn the Council's attention to circle page 3 in the packet, this
32 is the fiscal plan update, the tax-supported fiscal plan summary which contains the latest
33 projection of the gap. I'll turn your attention to line 2, revenues. This contains the most
34 recent estimates from the Department of Finance for the estimate FY09 column as well as
35 for the recommended FY10 column. A couple of things to point out is on a budget-to-
36 budget basis, revenues are down, that is -0.4%, and budget-to-estimate basis is the 2.5%,
37 but that is working off for lower FY09 basis that's already had a reduction or reflecting a
38 reduction in our estimate of FY09 tax collections. Another thing to point out, line-- Well,
39 just before I leave revenues, two assumptions on revenues. All revenues are assumed, all
40 taxes, at current rates with the exception of property taxes which works assuming to be at
41 the charter limit reaching that through a rate cut. There is an option we could reach it
42 through the use of a credit, but in this case we've assumed reaching charter limit through



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1 a rate cut. We've also assumed state aid for the most part at current approved formulas,
2 few exceptions, FY09, we've already been notified by the State of certain reductions in
3 highway user revenues as well as some ride-on operating revenues that would be a loss
4 of over \$10 Million as well as some reduction in police aid and some other aid formulas.
5 Also, school aid for FY10, we're assuming to be with a CPI or Consumer Price Index
6 increase only. MCPS, I believe, their latest estimate, according to the formulas, would be
7 about a \$10 Million increase in FY10. At this point, given the economic environment we're
8 in, the budget outlook for the State, we've assumed a more conservative position. Also,
9 we're waiting for the Governor's budget and, of course, the General Assembly has to do
10 their work in preparing the State's FY10 budget as well. Another thing to point out in terms
11 of revenues is, I understand, through intergovernmental relations, that the Governor will
12 be taking another round of FY09 cuts to the Board of Public Works in January that could
13 further affect the county obviously in the local aid formulas. So I think as far as State aid
14 goes, we want to, of course, push as aggressively as possible for the full funding of
15 formulas, but given that local aid is about 40% of the State's budget, it would be realistic to
16 assume that there may be some reductions. Also to point out, line 3, undesignated
17 reserves. At this point, you could see in FY10, we're projecting a deficit in the beginning
18 balance and I do explain in the memo that that is before the application of the FY09
19 savings plan that the Council just approved. However, we are looking, then, at a fund-by-
20 fund basis at this point because, as you know, the text part of fiscal plan summary
21 contains a number of funds for a number of agencies including the county general fund,
22 the fire tax fund, mass transit, the MCPS tax-supported funds as well as the college and
23 Park and Planning as well. So, we're analyzing that on a case-by-case basis to see what
24 the impact on each fund and whether any fund is projecting a deficit. Most particularly at
25 this point, we're paying attention to the county general fund. And we do have some very
26 serious concerns given that most of the revenue estimates or the revenue losses that
27 we're projecting for FY09, income tax transfer, a good part of the property tax would be
28 general fund revenues. So we are very concerned about that and are monitoring that very
29 closely as well. Transfers at this point, line 5, we're still projecting at about the \$26 Million
30 level, so total resources available, the tax supported budget, about \$3.7 Billion, that is
31 4.7% down on a budget-to-budget basis compared to FY09. We do make the deduction
32 on line 7 for debt service, reserves, and any cash going to the capital program, as well as
33 any set aside for supplemental appropriations as well, so total available to allocate to the
34 agencies on line 8 is about \$3.3 Billion. Going down, agency uses, the operating budget.
35 The approach we have taken in the fiscal plan that we're showing you today for
36 expenditures for FY10 is more consistent on a historical basis with what we usually do for
37 the fiscal plan update. Typically, we do it either on a major known commitment basis that
38 is identified and quantified commitments such as operating cost of capital facilities. We're
39 going to open either, schools, recreation facilities, libraries, et cetera. Labor contracts
40 we've negotiated. Retiree health insurance costs, and other quantified known estimates.
41 In the past, we've also used a 10-year rate of growth, that is, if we continue to spend as
42 we have spent in the last 10 years, this would be what the expenditure picture would be

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1 for the four tax-supported agencies. The approach that we've taken in this update is a
2 major known commitment basis that is specific and identified commitments for each of the
3 agencies. For county government, our departments have prepared these lists, OMB has
4 reviewed those, and those include the things we've talked about earlier, including cost of
5 opening new facilities and contractual obligations, that sort of thing, but also the other
6 agencies, college, schools and Park and Planning have prepared their own list and we've
7 itemized those and included those on circle page 6 in your packet. What that would
8 indicate is that spending growth would grow at about 7.8%, or a \$3.8 Billion budget. That
9 produces a gap, the simple math of that is over a half a billion, about \$550 Million before
10 the Council's recently approved savings plan of about \$32.5 Million. And we chose to
11 show it in this way for a number of reasons. One is to illustrate the impact on the
12 undesignated reserves, but also the impact of the recently approved and the importance
13 of the savings plan. Another change we've made in the gap projection is we've re-looked
14 at line 19, the supplemental appropriations we had previously had been estimating, most
15 of specifically, excuse me, would be fuel costs. We understand from our fleet
16 management services division, obviously the cost of fuel has declined and if it stays that
17 way, we can not presume to have those supplemental appropriations either for ourselves
18 or schools for FY09. If there is a price spike that changes, of course, that's going to
19 change the expenditure picture for FY09. We've also made an adjustment for FY10 based
20 on fuels cost as well, and that would yield sort of the revised gap you see on line 23 of
21 \$448.9 Million. If there are no questions, I can go to circle page 4 and 5.

22
23 COUNCIL PRESIDENT ANDREWS:

24 There are questions, but the only question is whether to have questions now or to let you
25 finish. How much longer?

26
27 JOE BEACH:

28 I've only got a couple of minutes more.

29
30 COUNCIL PRESIDENT ANDREWS:

31 Okay. Well, you keep going.

32
33 JOE BEACH:

34 Okay, sure. Circle page 4 and 5 is just a reconciliation for the Council to show where we
35 came from in September on the \$251 Million gap. It summarizes the revenue changes for
36 all the major taxes as well as state aid. Year-end closing was about \$12.9 Million better
37 than we had projected. And then the rate of growth assumptions you can see towards at
38 the bottom of the page, to yield the \$515 Million gap as well. The next page, circle page
39 five, shows more detail on the changes to FY09 supplemental appropriations and the
40 impact of the savings plan as well. Page six is the major known commitments by agency
41 which we had compiled with the assistance of other agencies as well. Most prominently,
42 the changes here, the major known commitments, of course, would be the labor contracts,

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1 which are at the bottom of the page, the general wage adjustments, a total of \$123.3
2 Million across all the agencies. The service increment or step pay increases, another
3 close to \$26 Million, that's the largest part, of course, of the increases we are looking at in
4 FY10. But also, we've itemized things like on line 13 the operating impact of new facilities,
5 the maintenance, the energy, the staffing to open those facilities for each of the agencies.
6 Line 20 would be our estimate of continuing the community grants program in the non-
7 departmental account. Certain other costs would be energy and utility costs, we are going
8 to have to re-bid, I believe, our electricity procurement contract in FY10, and there may be
9 a significant increase on that as well. On line 46, another one is self-insurance, workers'
10 comp, compensation cost increases we are estimating at about four and a half million.
11 That's after we took a \$15 Million increase--Jennifer, correct me if I'm wrong--and has
12 spread that out over three years to lessen the impact on the tax-supported funds as well.
13 So in getting to a balanced budget, we are going to have to make, both the Executive
14 branch and the Council, specific decisions on each one of these commitments, what we're
15 going to do in FY10, all the way from opening new facilities to different contract cost
16 increases as well as services, as well. One other thing to point out on this list, even at this
17 rate of growth, we are assuming line 50 for the county government in the maximum
18 agency requesting that are marks we gave to our county departments, we gave them
19 reductions in their budget that they have to come forward with specific savings on of close
20 to \$23 Million. So this assumes for the county government that we're able to identify and
21 implement those savings as well. And circle page seven includes the revenue update and
22 compares from the FY08 budget and the-- Excuse me, the budget compared to the latest
23 November update for FY08, FY09 and FY10, just gives a comparison for each of the
24 major revenue sources.

25
26 COUNCIL PRESIDENT ANDREWS:

27 Okay. Thank you...I guess. All right, it's good to have information. Councilmember Knapp?

28
29 COUNCILMEMBER KNAPP:

30 Thank you, Council President Andrews. Good luck.

31
32 COUNCIL PRESIDENT ANDREWS:

33 Thank you.

34
35 COUNCILMEMBER KNAPP:

36 Just a couple of questions. Thank you for the update, I appreciate it. We got a memo from
37 Mr. Firestine earlier this week, I think, or may have been late last week, on pension fund
38 which showed that our investments--think it was pension fund--we were down, I think,
39 13.4%, pardon, for the quarter. And I guess the important question I have is, I think in
40 certain contracts, there actually is a guaranteed rate of return for our employees' benefits,
41 isn't there? I was just curious if in the event that that rate of return or lack of return



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1 continues at that level, do we have to make up that delta from the general fund for next
2 year's budget?

3
4 STEPHEN FARBER:

5 Well, the way that functions, Mr. Knapp, is that in November each year, we receive from
6 the actuary an actuarial evaluation of the pension fund. In fact, we are going to have a
7 discussion of that a little bit later this month. And that forms the basis of what the
8 Executive must recommend and the Council must approve in the budget to support the
9 pension fund. We use a process called five-year smoothing, so that if there are
10 disproportionately large gains in some years or disproportionately large losses in other
11 years, they will smooth themselves out. We do have an 8% actuarial return assumption,
12 that is to say, that the fund will return 8% per year. It did not return 8% in fiscal '08. It was
13 down 2.2%, but that was a lot better than the average fund, which was down more than
14 double that.

15
16 COUNCILMEMBER KNAPP:
17 Right.

18
19 STEPHEN FARBER:

20 And in fiscal '09, the current year, it seems likely that the fund will be down once again. As
21 I say, the five-year smoothing tends to mitigate the differences. I think the likelihood is,
22 and we have not yet reviewed the actuarial evaluation for this past year, that there will be
23 some increase required in the county contribution to the pension fund and then the
24 likelihood is, in the following year, there will be an even larger increase. But those
25 increases are mitigated by the 5-year smoothing process. The benefits are, in effect,
26 clear, and they are not affected by that.

27
28 COUNCILMEMBER KNAPP:

29 Okay, so given the five-year smoothing or averaging, we would not necessarily anticipate
30 making a transfer from it, or if we do have a transfer from the general, we wouldn't
31 anticipate having to make a transfer from the general fund then?

32
33 STEPHEN FARBER:

34 No, I mean what we make is an annual county contribution, and that is done as part of the
35 normal budget process.

36
37 COUNCILMEMBER KNAPP:

38 I guess my only question-- I want to make sure because we are trying to figure out puts
39 and takes. Do we think that's going to be a bigger number than we would have assumed
40 and what you have here.

41
42 STEPHEN FARBER:

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1 Well, I don't know. Joe, have you taken into account-- You probably haven't taken into the
2 account the actuarial evaluation, or have you?

3
4 JOE BEACH:

5 We haven't taken it into account. I actually haven't seen it yet. But we have made a
6 projection, now, I believe, of an increase, so we are assuming an increase for our pension
7 fund obligation contribution in FY10. Now, if it exceeds that, of course, it would exceed
8 this, but we've already made an assumption in here on, excuse me, line 8 of the same
9 services.

10
11 COUNCILMEMBER KNAPP:

12 Okay, thank you and--

13
14 JOE BEACH:

15 Also, just to add to what Mr. Farber said, in addition to the defined benefit program for
16 employees in the employee retirement system, there are employees post '94 who could
17 go into the guaranteed retirement program, which guarantees, I believe, a return of seven
18 and a quarter?
19



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1 ALEX ESPINOSA:

2 That's right, seven and a quarter. That goes into effect July 1st next year.

4 STEPHEN FARBER:

5 Yes, that is optional for employees who are now in the retirement savings plan.

7 COUNCILMEMBER KNAPP:

8 Okay. I didn't get a sense that-- You have the macro number that we are looking at for
9 FY10's gap. Given the revised income tax numbers, income revenue we had from last
10 year to a couple weeks ago, what's the potential impact on anything for FY09? Do we see
11 a potential gap in our existing year funding?

13 JOE BEACH:

14 Yeah, that's something we are looking at right now is, as you could see in the fiscal plan
15 is-- Before the savings plan was applied, we were looking at, across all the tax-supported
16 funds, a deficit about \$22 Million.

18 COUNCILMEMBER KNAPP:

19 For this year?

21 JOE BEACH:

22 For FY09. So we are looking at that on a fund-by-fund basis to see which funds may be at
23 this point estimated a deficit and we are most concerned, of course, about the county
24 general fund which was hit the hardest by the revenue decline in this current year. So,
25 right now, we are very concerned about a current year problem for FY09.

27 COUNCILMEMBER KNAPP:

28 Okay. And two more quick ones. One, if I looked at this, the GASB payment, or the OPEP
29 that we'll be looking at for next year is 25 that we have budget-- Did I get the right line
30 here?

32 JOE BEACH:

33 That's additional to what is in the budget currently in the FY09.

35 COUNCILMEMBER KNAPP:

36 Okay.

38 JOE BEACH:

39 So, it's about a total payment of about \$66 Million for FY10.

41 COUNCILMEMBER KNAPP:

42 66, so-- Okay.



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1
2 STEPHEN FABER:

3 It was a 40 in the current year and is projected to be \$26 Million higher than that in Fiscal
4 '10, according to the 8-year phasing schedule.

5
6 COUNCILMEMBER KNAPP:

7 Okay. And then, finally, you had indicated that you are giving marks to the various
8 departments to come in with \$22 Million in savings from your projected FY10 numbers or
9 from the approved FY09 budget?

10
11 JOE BEACH:

12 The way we calculate the marks is, we start with the FY09 budget, the approved budget.
13 We add to that in any sort of major known commitments we know of and then we would
14 assess a target reduction against that total. And we made a differentiation between public
15 safety and health and human services and non-public safety departments.

16
17 COUNCILMEMBER KNAPP:

18 Okay, so basically, you did it against your list on circle 6. You took those major known
19 commitments and then said, "Take a reduction from that."

20
21 JOE BEACH:

22 That's correct.

23
24 COUNCILMEMBER KNAPP:

25 Okay. Just wanted to be clear. Okay, thank you. I guess we're going to be seeing a lot of
26 each other in the coming weeks, I'm sure, so thanks. Have fun.

27
28 COUNCIL PRESIDENT ANDREWS:

29 Thank you, Councilmember Knapp. Council Vice President Berliner?

30
31 COUNCIL VICE PRESIDENT BERLINER:

32 Mr. Beach, the Council President alluded to earlier today the possibility of another round
33 of savings plan for this fiscal year. Is that something that you have under consideration?
34 Do you believe it would be prudent for us to take another whack at it for this year?

35
36 JOE BEACH:

37 I think it is something we are considering right now. Obviously, the longer you get into a
38 fiscal year, the less your options are. Obviously, most contracts are already lead at that
39 point, a lot of the hiring has been done and we've already recognize most of the lapse
40 savings, so to be candid, we are going to really be working very hard to achieve the
41 savings plan that Council just approved as well. But, obviously, given that we are now

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1 looking at, in FY09, a current year problem, is something we do have under active
2 consideration right now.

3
4 COUNCIL VICE PRESIDENT BERLINER:

5 With respect to '10, as you observed, we are looking at something on the order of \$448
6 Million, our current estimate, and that, of course, is presuming no change in our
7 contractual obligations. Is that correct?

8
9 JOE BEACH:

10 Correct. Yes.

11
12 COUNCIL VICE PRESIDENT BERLINER:

13 The conversation, I believe, here is that our employees all appreciate the gravity of the
14 situation and therefore seemed to be willing to consider a no COLA kind of arrangement.
15 My understanding is, that is a \$125 Million proposition. Is that correct?

16
17 JOE BEACH:

18 Yes, if there is no COLA increase in FY10.

19
20 COUNCIL VICE PRESIDENT BERLINER:

21 All right, so in rough terms, even if we are successful, or even if our unions agree to
22 forego their contractual right to COLAs, we will be looking at a \$325, roughly, Million
23 budget gap that we cannot close with property tax increases, et cetera. We are talking
24 about cuts of \$325 Million, basically, is that correct?

25
26 JOE BEACH:

27 Yeah, that would be correct, service program reductions.

28
29 COUNCIL VICE PRESIDENT BERLINER:

30 Okay. One of the frustrations that I know and my colleagues and I have had over the
31 years has been our inability to ascertain the effectiveness of many of our programs and
32 that what we had hoped for from the administration, or I believe have been promised by
33 the administration a number of years ago, is something the equivalent of, and I will call it,
34 performance-based budgeting, but I don't know if that's precisely the correct term, results-
35 based budgeting. And I believe that was an initiative that the administration had pledged
36 itself to that would give us a road map going forward in which to make the difficult choices
37 that we have to make. But I'm not sure where we are with respect to that. Are you going to
38 be in a position when you submit this budget to provide us with that kind of analysis so
39 that we can make the kinds of determinations that we are going to be called upon to
40 make?

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1 JOE BEACH:

2 Sure, in fact I think we've made a lot of progress in that regard, as well. The FY09 budget
3 did include performance measures, headline measures, the major measures for each
4 department and we placed that very prominently on the front page of every department's
5 budget presentation. All department heads are required to prepare a performance plan.
6 Most important part of that would be their headline measures or performance measures
7 for their departments. All those departments then have to go through CountyStat process
8 that reviews those measures, refines them, and then there is a public dialogue with the
9 chief administrative officer, the CountyStat staff as well. I sit in on that panel as well and
10 we review and scrutinize those measures to make sure that they are measuring
11 efficiencies, they are measuring customer service, they are measuring actual outcomes.
12 Now, we are about 2 years into that process right now. So I think we've made a lot of
13 progress in that, but I still think there's going to be more to occur in the next couple of
14 years. The FY10 budget we're preparing right now is going to give the same prominence
15 to the headline measures, the overall most important departmental measures, but also
16 what we are instituting for the FY10 budget with our departments is sort of a more
17 granular level of measurement, and for each program they are required to develop, and
18 we hope to be able to publish, measures for each of those programs that show at a lower
19 level performance, that show progress in achieving the outcomes, that would show their
20 efficiency and customer service as well. So, I think we've already need a lot of progress
21 with our performance measures, with our performance plans, but obviously, you know,
22 there is going to be more progress to be made and I think that could be that the data has
23 played a more prominent role in our review of the departments' budgets, and I know
24 certain Council committees have used that as well in their review of departmental
25 budgets.

26
27 COUNCIL VICE PRESIDENT BERLINER:

28 One last question, and I'll defer to my colleagues, and you may or may not be able to
29 answer this. My understanding in terms of our conversations with our employees was that
30 a key date was when the school system had to submit its budget. And that, therefore, that
31 process was imminent, that is that the school system was presenting its budget in short
32 order. Do we know the status of those conversations because that was deemed to be a
33 bellwether for what would happen with respect to the rest of our employees? Do you know
34 the status of--

35
36 JOE BEACH:

37 Do you mean the county's discussions with our unions?

38
39 COUNCIL VICE PRESIDENT BERLINER:

40 No. No, with the school system.

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1 JOE BEACH:

2 No. I'm afraid I'm not sure.

4 COUNCIL VICE PRESIDENT BERLINER:

5 We have no communications with Dr. Weast and the school board with respect to where
6 they stand with respect to their conversations?

8 JOE BEACH:

9 We've had conversations. I can't say that there has been one today or yesterday. But at
10 this point, I would not want to say authoritatively that I know the status of those
11 negotiations.

13 COUNCIL VICE PRESIDENT BERLINER:

14 Thank you.

16 COUNCIL PRESIDENT ANDREWS:

17 All right, thank you. We've got a lot of lights. Here's the order:

18 Councilmember Elrich then Councilmember Floreen then Councilmember Leventhal then
19 Councilmember Knapp then Councilmember Trachtenberg. Councilmember Elrich?

21 COUNCILMEMBER ELRICH:

22 Do you have performance measures for all the grants and contracts that are given out by,
23 for example, HHS, not the little bit of grant money that, you know, is done at the end of the
24 year that seems kind of optional but the kind of core grants that are inside the
25 department?

27 JOE BEACH:

28 Are you referring to the grants that the county makes to nonprofits?

30 COUNCILMEMBER ELRICH:

31 Or the contracts that we give to nonprofits to--

33 JOE BEACH:

34 Oh, okay. They are all required to prepare an annual report which we, you know, provide
35 to Council on the progress in achieving the outcomes. Now, whether it's as specific as the
36 county's headline measures, I can't say, but we do require each grantee-- It's actually a
37 contract that they have with the county. We call it a grant, but it's actually a contract to
38 provide us with information on their progress and their performance measures.

40 COUNCILMEMBER ELRICH:

41 I just think there is a difference in my mind, anyway, between a grantee providing a report
42 about their description of their progress and us having performance measures and



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1 evaluating their progress ourselves. I mean, self-evaluation is nice, but, you know, I
2 thought we were going to be moving to the point where we are actually looking at all the
3 contracts and determining whether, in fact, what we asked for to be delivered is being
4 delivered and whether what is being delivered is worth being delivered.

5
6 **JOE BEACH:**

7 My understanding, and this is based on discussions, especially with Health and Human
8 Services, is the contract managers do monitor performance. They do interact on a regular
9 basis with the grantees to ensure that the performance they're being paid for is being
10 delivered just like they actually would do with any contractor, whether it's noncompetitive
11 or not.

12
13 **COUNCILMEMBER ELRICH:**

14 How are you going to approach this year? I mean, I think Roger hit one of the nails on the
15 head. You are looking over \$300 Million, even if you make all the COLAs go away. You
16 can make the STATS go away, and it doesn't mean diddly-squat. You know, it goes from
17 \$325 to \$300. You haven't solved any problem if do that. So let's just say COLAs were off
18 the table. How are we going to go about evaluating what we do and whether we should
19 keep doing it? And if you've reached any conclusions about departments or functions now,
20 I mean, to the extent that you might have reached a conclusion that something shouldn't
21 be done next year, would it be worthwhile to just go ahead and eliminate those things now
22 and take as much savings now to minimize what we have to take next year rather than
23 waiting to eliminate things until the July if we think we might want to get rid of them now?

24
25 **JOE BEACH:**

26 I mean, in theory, yes, I would completely agree. We've reached that conclusion that a
27 service, a program, you said even a department is not essential, not necessary. It would
28 definitely be more cost-effective to eliminate that, you know, sooner rather than later. But
29 what I mentioned in the transmittal memo is we consider all spending, all services, all
30 programs, whether it's in the operating or whether it's in the capital budget, to be on the
31 table at this point, whether it's in FY09 or whether it's in FY010 and we are already
32 engaged with our labor unions, we're engaged with each of the agencies, and we're
33 looking at a variety of strategies. Obviously, it would be premature to say what those
34 strategies are right now. Some of them have legal implications, some of them would
35 require changes to the county code. And obviously, I think we'd want to have some
36 discussions with the Council and Council staff prior to March 15th to make sure we are on
37 the same page about these so that there is not many surprises.

38
39 **COUNCILMEMBER ELRICH:**

40 Your last comment, that comment is encouraging because I think it is going to be
41 important to have discussions with Council and Council staff, particularly when it comes to
42 elimination of functions. I guess I'm having a hard time picturing how we get to this by



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1 nibbling around the edges. You know, at some point, you nibble away enough employees
2 and all you've got left behind are supervisors, and at that point, you might as well as just
3 get rid of the whole thing and it's just not a pretty picture. I'm sure all of us have kind of sat
4 around wondering how the heck do we get this next \$300 or more Million out of this.

5
6 JOE BEACH:

7 I know I'm speaking broadly, but we are not looking at nibbling anymore. I think there was
8 a lot of nibbling, as it were, in the savings plan, but the approach to FY10 would be major
9 areas of service, major programs. It's really the only way to do it, and we are also looking
10 at what's sustainable, what's long-term, what's permanent, what's continuing as opposed
11 to what's one-time. I mean, obviously, I think part of that has got to be part of the solution,
12 so maybe one time, some deferral. But in general, I think-- I defer to the economist here,
13 but from what I see, we are looking at a long-term economic downturn, and I think it's very
14 uncertain what the economy is going to look like after we come out of this recession, what
15 kind of growth we can expect. We are sort of structured now for 8% growth in our budget.
16 4% revenue growth looks pretty good right now. So, just my feeling is, we need to build for
17 the long-term in this budget. That would include addressing continuing costs, permanent
18 costs in the budget.

19
20 COUNCILMEMBER ELRICH:

21 Are you going to look at things like commissions, you know, broadly across all the various
22 things we do in the county?

23
24 JOE BEACH:

25 My understanding is, there is not--

26
27 COUNCILMEMBER ELRICH:

28 There is nothing sacred?

29
30 JOE BEACH:

31 Well, there's nothing sacred. But there's not a lot of savings to be had from, you know,
32 boards and committees and commissions, if you mean that. There is some staff that goes
33 in supporting those, but not a whole lot.

34
35 COUNCILMEMBER ELRICH:

36 Yeah, that would be interesting. I think it would be interesting to see what that not a whole
37 lot is, because I think some of the cuts we are going to make to programs, we are going to
38 be cutting a bunch of programs that don't cost us a whole lot if you look at them
39 individually, but they are going to be painful cuts just the same. And, you know, if I'm
40 cutting things, I'd rather be cutting things that didn't deliver services rather than, you know,
41 leaving intact structures that don't produce anything and eliminating programs that actually
42 do produce things. I mean, to me, if this thing gets paired down, it ought to be a very

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1 functional government with as few frills and, you know, interesting little studies going on
2 as possible.

3
4 COUNCIL PRESIDENT ANDREWS:

5 Thank you, Councilmember Elrich. Councilmember Floreen?

6
7 COUNCILMEMBER FLOREEN:

8 Thank you. Joe, no one can complain that you haven't given us a lot of information. So,
9 thank you very much for all this. I want to direct your attention to circle 3, which is your
10 summary. And I just wanted to make sure I completely understood what you're telling us in
11 this chart. So, if we could just sort of walk through this a little bit, and, at least, I'd like to
12 understand what you're telling us here. Looking down at line 16, I think what you're telling
13 us is, currently, the approved budget for 2009 is \$3.9 Billion.

14
15 JOE BEACH:

16 When you consider both the operating budget--

17
18 COUNCILMEMBER FLOREEN:

19 The whole shebang.

20
21 JOE BEACH:

22 As well as that service cash for the capital program reserves? Tax-supported?

23
24 COUNCILMEMBER FLOREEN:

25 The total number. And then the next line, what you're telling us, I think, is that based on
26 changes in revenue and adjustments throughout, across the board, what we actually have
27 is a budget of \$3.8 Billion at this point. Is that what you're telling us?

28
29 JOE BEACH:

30 Estimate FY09?

31
32 COUNCILMEMBER FLOREEN:

33 Estimate.

34
35 JOE BEACH:

36 Correct.

37
38 COUNCILMEMBER FLOREEN:

39 At this point in time.

40
41 JOE BEACH:

42 Yes.

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1 COUNCILMEMBER FLOREEN:

2 And that's assuming-- No, it's a snapshot of this second. So, as I understand, we don't
3 know what's going to happen with respect to state revenue or any other resources. But
4 this assumes that right now, our budget, basically, for '09, is down about \$100 Million. Am
5 I getting that right?

6
7 JOE BEACH:

8 Correct.

9
10 COUNCILMEMBER FLOREEN:

11 Basically. And then going to the end of the line for fiscal-- So, right now, just to continue
12 on where we are at this point, we have \$100 Million less for the '09 budget than we had
13 assumed last May? And that's a total.

14
15 JOE BEACH:

16 But let me make this point, though. A large part of that reduction is a reduction in
17 reserves.

18
19 COUNCILMEMBER FLOREEN:

20 Right, yeah, but that's-- You know, that's just so we understand the big picture because
21 there are many, many moving parts in here and my colleagues have alluded to a variety of
22 them. And then getting to the end of that line, what you're saying to us is, I think, that all
23 things being even, we would be looking at a \$4.2 Billion budget for '010, but for the gap
24 number.

25
26 JOE BEACH:

27 That is correct.

28
29 COUNCILMEMBER FLOREEN:

30 Is that correct?

31
32 JOE BEACH:

33 Yes. That would be FY09 plus all the major known commitments we've identified in the
34 packet.

35
36 COUNCILMEMBER FLOREEN:

37 So, that's a \$4.2 Billion budget, but what I think you're telling us is that, and it's been
38 summarized in other places before, at the bottom of that column are the reductions that
39 we have taken so far. What I would like to know is what we anticipate with respect to our
40 situation now for Fiscal Year '010, given where we are now in Fiscal Year '09. My calculus
41 in my head, and correct me, I just like to get it straight, given your assumptions that we
42 would be required to have a \$4.2 Billion budget to keep the ship on the same track, but we

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1 can't at this point because of the known reductions, do we basically subtract the \$515
2 Million from the \$4.2 to get us to what we anticipate our budget could be in '10?

3
4 JOE BEACH:

5 In effect, yes, because that would make uses equal to resources available. Resources
6 available are about \$3.7 billion if you took the \$515 Million from the \$4.2 Billion.

7
8 COUNCILMEMBER FLOREEN:

9 So what we're looking at is, at this point in time, assuming no additional shoes drop and
10 knowing what we know as of this moment, we would assume we could afford a \$3.7
11 Billion budget in Fiscal Year '10...

12
13 JENNIFER BARRETT:

14 Based on current revenue projections.

15
16 COUNCILMEMBER FLOREEN:

17 based on where we are as of this moment in time?

18
19 JOE BEACH:

20 Correct. Mm-hmm.

21
22 COUNCILMEMBER FLOREEN:

23 And so, that's basically about \$100 Million less than where we are now for '09.

24
25 JOE BEACH:

26 Right, mm-hmm.

27
28 COUNCILMEMBER FLOREEN:

29 Is that right?

30
31 JOE BEACH:

32 Yeah. Yes.

33
34 COUNCILMEMBER FLOREEN:

35 So, assuming we didn't change a single thing as of this moment, no additional
36 commitments, raises, whatever, if everyone was sort of locked in time as of this moment in
37 terms of our expenditures for everything, we would still need to reduce expenditures from
38 where we are now by \$100 Million. Is that a fair way to look at this? So, we're looking at a
39 budget that's \$100 Million below where we are right now, really what would be \$200
40 Million below what we approved in May for next year.



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1 JOE BEACH:

2 I believe so.

4 COUNCILMEMBER FLOREEN:

5 Okay. Okay, thank you. That's helpful to put all of this in perspective. That's a lot of cuts.

7 COUNCIL PRESIDENT ANDREWS:

8 That is helpful. Good job. Councilmember Leventhal?

10 COUNCILMEMBER LEVENTHAL:

11 I wanted to follow on Mr. Elrich's comments. Joe, you may already be doing this, but I
12 think we're going to have to abolish some agencies and programs, and some of them are
13 going to require statutory changes. And the timing here is not always rapid, you know. If it
14 requires introduction of legislation, you got to introduce it, you got to have 30 days for
15 public hearing, it's got to work its way through a committee, it's going to be controversial,
16 we're going to be getting e-mails about it. So, hand in hand with your job within OMB, I
17 would strongly advise the County Attorney's Office over the holiday break to be looking at
18 whether they need to be drafting some language that calls for program abolition and
19 elimination. And we need to be looking at that here as well. And, you know, we, in the
20 savings plan, I heard what was said about nibbling around the edges. The fed committee,
21 made me smile, balked at a \$5,300 cut. I remember that one.

23 COUNCILMEMBER KNAPP:

24 No, \$1,280.

26 COUNCILMEMBER LEVENTHAL:

27 Pardon me, \$1,280. So, I mean, there was some really, really small potatoes. But, you
28 know, you save a \$100,000 here, you save \$150,000 there. I mean, there are issues of
29 staffing. There are issues of overlapping Board and Commission jurisdiction. Mr. Elrich
30 and I were talking about this earlier today. And so, we, here on the Council, should be
31 looking at statutory changes that may be required, but I would just commend-- You all
32 have better access to information than we do. And, obviously, having the County
33 Executive's support for whatever we do is easier than having him oppose it. So, I do think
34 that there are going to be-- I'm just repeating because I really want to emphasize, I do
35 think there are going to be some agencies, some programs and some Boards and/or
36 Commissions that are required under statute that we could probably get along without and
37 that would require legislation to revoke, repeal, abolish. And something to think about is
38 we might test for a couple of years. Can the people in Montgomery County get by for two
39 years without a particular program, function, agency and see what happens? And then,
40 we should have a dialogue with the public. I mean, if we went down the list of every
41 agency, every function, every program, every division, every branch, you might get a
42 sense that, you know, maybe for two years we could get by without that particular service.



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1 And maybe it wouldn't have to be permanent. Maybe some of them could come back
2 when economic times improve.

3
4 COUNCIL PRESIDENT ANDREWS:

5 Thank you, Councilmember Leventhal. Councilmember Knapp?

6
7 COUNCILMEMBER KNAPP:

8 Thank you. I apologize for not remembering this question my first time around. Mr. Platt,
9 we showed that the state, we got \$31 million less than we'd anticipated three weeks ago.
10 Have you had an opportunity to be able to go back and kind of get a sense of what
11 caused that and kind of what trend does that kind of forecast for the future so we can kind
12 of get a sense of what we think that was as a result of, since that kind of preceded kind of
13 what we saw in September and October? So curious as to your perspective.

14
15 DAVID PLATT:

16 I have approached the Comptroller's Office in two phone calls since we last met, and one
17 is to get data on the late filers, for example. And right now, they're still working on getting
18 the data, and as soon as I get that data from them, we'll share it with everybody to say
19 what happened to late filers because that data showed the amount of late filers actually
20 remained flat from tax year '06 to '07, that data we had, which had, probably, an impact on
21 that November distribution. But, I'd like to see historically to see if that trend had a
22 significant impact on the prior years, because also the year before we had a big decline.
23 That's the first question. The second question that I have with him is on the estimated
24 payments for this quarter, and I think we talked about that before, because that will have
25 an effect on that February distribution that we're pulling back on because this quarter has
26 not been a great quarter in terms of stock market. And that has been a tougher question
27 to get from them because they, traditionally, do not break out estimated payments from
28 withholdings at the County level. They do it at the State level, but not the County level.
29 We're still pursuing that and I've asked them again to look into that to come back with us
30 and see what kind of information they provide. We do have historical data, but it's dated
31 back, the latest number we have, Mr. Knapp, is 2006. We can look at that trend, and the
32 preliminary examination or analysis of that trend, it was very volatile on the estimated
33 payments. It didn't track specifically the stock market. It didn't particularly track any
34 indicator that we have that we can look at to see if there's any correlation. So, it's a
35 puzzling issue there right now. But, having said that, that's where we are in answer to that
36 question.

37
38 COUNCILMEMBER KNAPP:

39 Okay, and so, I guess, to follow up on that then, do the numbers that are here include a
40 potential downward trend in that February distribution because of what you assume could
41 occur with withholding? That's already factored into that?

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1 DAVID PLATT:

2 That's been factored into that. We're pulling back on the February distribution a couple
3 percent, well, two-tenths, three-tenths on that. Also, it will have an effect-- I'm sorry, if I
4 may continue on that, a little bit further on in May, as well, because that's when the next
5 year on the estimated payments become available. In other words, the May distribution
6 will include the first quarter for tax year 2009. And if that estimated payment takes a big hit
7 that we assume will take place this quarter, that may affect people's estimated payments
8 in the next year because they'll now adjust it, because, usually, people pay a flat rate, a
9 flat fee for three quarters and then make the adjustments. So, once they see what the end
10 of the year is for this tax year, they'll make that adjustment for the next calendar year. So,
11 it's a continuing--

12
13 COUNCILMEMBER KNAPP:

14 Well, we--

15
16 DAVID PLATT:

17 That's our assumption, our assessment.

18
19 COUNCILMEMBER KNAPP:

20 Because after next Tuesday, we're not in session, but I mean to the extent that you get
21 the data from the Comptroller's Office during the time when we're not around, it would be
22 helpful for us to see it and to share it because that's going to portend a lot of things
23 coming down the pike.

24
25 DAVID PLATT:

26 I will.

27
28 COUNCILMEMBER KNAPP:

29 Thank you very much.

30
31 DAVID PLATT:

32 You're welcome.

33
34 COUNCIL PRESIDENT ANDREWS:

35 Good question. We do want to see all data as soon as possible. Thank you.
36 Councilmember Trachtenberg?

37
38 COUNCILMEMBER TRACHTENBERG:

39 Thank you, President Andrews. I am going to start with delivering a little bit of a message
40 which is that, you know, Plan A would be to get by and, you know, look at deep cuts
41 across the board. Plan B would be planning for the future with strategic cuts, and that
42 would be my preference because I really look at this as a multi-year problem. And while

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1 we are challenged in this year's budget season, we, undoubtedly, will be more challenged
2 next year because it's simply going to be cuts on top of cuts. I think we have to be
3 pragmatic about that. And in that kind of a situation, it's clear that a strategic plan and
4 understanding the strategic plan that each department has would really be helpful, I think,
5 to those of us on this side of the street. We had a conversation within MFP--I think it was
6 yesterday, although it seems longer than that--and we talked a little bit about how to set
7 priorities. And I asked some basic questions about staffing and about program objectives
8 and timeline of investment and even getting a sense of timing so that phasing different
9 things out and in was possible. And I would just ask that as we look towards the budget in
10 March that we actually start having regular dialogue about a long-term strategy here
11 because I don't want to get us into the trap of cherry-picking options. I think that is not
12 going to get us really where we need to go, and it's certainly not going to be a way that we
13 develop consensus. And I think we're all in agreement that we've got to collaborate and
14 we've got to do it efficiently. So, if we can really start the conversation around strategy and
15 objectives, I think that's going to really be helpful because I don't think that we have as
16 much definition sometimes about that as we need to. And that's not a criticism publicly of
17 the Executive Branch. I just think we haven't really had those conversations enough, and I
18 would ask that we have them because I think it would be a benefit to all of us. I actually
19 have one question, Joe, for you. The memo that you sent over to Councilmember Knapp,
20 you indicate that because of the integration of the savings plan, our fund balance is a
21 positive 31.3 Million. You also go on to say that you're analyzing the fund-by-fund impact
22 of the revenue losses to determine which funds at the end of FY09 might be in a negative
23 position. When do you think we might know some of that?

24
25 JOE BEACH:

26 I think we'd be able to say probably within the week.
27

28 COUNCILMEMBER TRACHTENBERG:

29 So, we would probably know that at some point probably during the winter break here?
30 Yeah, if we could get some indication from the Executive Branch about that, again, I think
31 that's going to be helpful. And I'm assuming that we're going to know also during the
32 month of December more implications around State Aid because that's also critical
33 because while we're looking at an approximate number of 440 million, it's clear that that
34 number can still go up quite a bit depending upon what the State decides to do or not do.
35

36 JOE BEACH:

37 Absolutely.
38

39 COUNCILMEMBER TRACHTENBERG:

40 And my understanding is that the areas of education and transit and health services are
41 still on the chopping block as we sit here this afternoon.
42



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1 JOE BEACH:

2 Yeah, one other thing to point out that I've just heard is potential state furloughs or delay
3 in receipt of the state COLA for this year, that would affect the HHS and their recalculation
4 of the Social Services reimbursement.

6 COUNCILMEMBER TRACHTENBERG:

7 Mm-hmm, yeah, and that's a critical point because of turnover issues within the
8 Department. So, I appreciate the fact that you're monitoring that. So, thank you.

10 COUNCIL PRESIDENT ANDREWS:

11 Okay. Thank you, Councilmember Trachtenberg. Councilmember Ervin?

13 COUNCILMEMBER ERVIN:

14 Yeah, just a quick question, again, on results-based budgeting, and the question that
15 Councilmember Elrich brought up regarding contracts. And when we look at the base
16 budget, has there been any recent looking at the whole base in sort of results context?
17 Because, you know, if you look at where all the money is, it's in the base and we keep
18 adding on top of the base, and if we could just know what's in there, it would be very
19 helpful for us to see what it is we're dealing with. And I think Councilmember Leventhal is
20 right. We're just going to have to take out whole chunks, whether it be departments or--
21 This is really serious business here and so we can't leave that base budget untouched, or
22 we have to look at what's in there. And so, if you can talk to us about what's the process
23 going to be.

25 JOE BEACH:

26 I think to a certain extent, we are already looking at that. As I mentioned, each
27 department, at least each appointed department head, has to prepare a performance plan
28 for his budget which is reviewed at several different levels. That has to take into account
29 what's happening at the base level because they're talking about total department
30 performance. You're not just talking about improvements at the margin. So, at least, in
31 terms of performance and results, we're already well underway and have made a lot of
32 progress in understanding, you know, what their accomplishments are, what their
33 progress in a measurable way is.

35 COUNCILMEMBER ERVIN:

36 Right, but we're talking about the contracts, and just based on what the IG has recently
37 said about just, you know-- If he's going to go in and audit some of these contracts, which
38 I understand he may be in the process of doing, you know, there's trouble there. And it
39 seems to me that we need to know a lot more about what's in that base. That's all I'm
40 saying. And, you know, it's really not a zero-based budget when you just keep adding on
41 top of what's already there. We don't know how well any of that's working. I think that's the

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1 question that Marc was posing a few minutes ago, and I just wanted to stay on that
2 because we won't do ourselves any good if we don't start from that premise.

3
4 JOE BEACH:

5 So, you mean service contracts, any contractual work with the Department.

6
7 COUNCILMEMBER ERVIN:

8 Any kind of contracts. We just took this up in MFP yesterday or whenever it was.

9
10 COUNCILMEMBER TRACHTENBERG:

11 Yesterday!

12
13 COUNCILMEMBER ERVIN:

14 Yesterday.

15
16 COUNCILMEMBER TRACHTENBERG:

17 A century ago.

18
19 COUNCILMEMBER ERVIN:

20 A century ago, and, you know, there are issues I have with DTS and the way they contract
21 out. There are a lot of contracts in county government, and we don't do our employee
22 organizations any service when we're going to go after their salaries and benefits and we
23 still have these top-of-the-line contracts that we're paying out. It seems to me like there's
24 no balance here. We're talking about one without talking about the other. So, I think
25 there's got to be-- Now I'm looking at David. I see he's shaking his head. I think there has
26 to be some real analysis right now before we get into January, February, March about that
27 base budget.

28
29 JOE BEACH:

30 And, actually, now that I understand your question better, we are already talking to
31 procurement, general services, the County Attorney about contracts within '09 and '10,
32 actually, both years, some of our options. Of course, if you're talking about the current
33 year, there are some existing legal obligations you'd have to address, but there are some
34 opportunities, we believe, there, but also for FY10 as well, so we are already--

35
36 COUNCILMEMBER ERVIN:

37 What kind of money are we talking about? If we were to give a dollar figure on how many
38 contracts that the county has currently, how many millions of dollars are we talking about?
39 Does anybody have a figure?



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1 JOE BEACH:

2 Well, one way to look at it is that the County Government budget, about 1.5, 1.6 billion,
3 about 60% to 70% is personnel cost. Then, of course, you know, contractual services
4 would make up the balance of that in one form or another, the different--

6 COUNCILMEMBER ERVIN:

7 That's significant.

9 JOE BEACH:

10 Would that be correct?

12 JENNIFER BARRETT:

13 Take out debt service, too, 10%

15 JOE BEACH:

16 Yeah, debt service, about 10%.

18 UNKNOWN SPEAKER:

19 That's 600 Million.

21 COUNCILMEMBER ERVIN:

22 That's a lot of money. David Dias, maybe you should come to the table and address that.

24 JOE BEACH:

25 What we are just doing, very rough, high-level math. We can, of course, get back to the
26 Council with very specific numbers, but you're talking about commodity contracts, service
27 contracts.

29 COUNCILMEMBER ERVIN:

30 Should see them all. I mean we're talking about a year where we're looking at everything
31 that moves. And if that's a \$600 million figure, we might want to start there. That's all I'm
32 saying. I mean, look.

34 JOE BEACH:

35 Just don't hold that number in your mind.

37 COUNCILMEMBER ERVIN:

38 I'm just asking for the figure. I see David Dias shaking his head, that he says, "That's--"
39 So, we never really have the conversation at this dais about what that looks like and how
40 do we begin to approach that figure. If we're \$300, \$400 million short of where we need to
41 be and we've already gone after COLAs and taken them out and we might have to lay



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1 some folks off and we have all these other options and they're all directed toward the
2 employees, and then we have the contracts. So, I think we need to take a look at that.

3
4 COUNCIL PRESIDENT ANDREWS:

5 Okay. Thank you very much. There's a lot to look at, and we'll look at it all. I see one other
6 comment. I see Councilmember Trachtenberg.

7
8 COUNCILMEMBER TRACHTENBERG:

9 Actually, to follow up on what Councilmember Ervin just raised, that's why the issue of the
10 strategic plan is so critical, because, yes, we should be looking at that \$600 million
11 amount of contracts, but we need to be able to put it into the proper context and
12 understand, you know, which contracts are out there that are good contracts and that are
13 good investments based on limited resources. We need to understand clearly that some
14 of those contracts are appropriate because it's actually more efficient to have things done
15 outside on a contractual basis. In other words, I really want to go back and push the
16 Executive Branch on the idea of looking at strategy because I think that, again, if we had
17 those regular kind of dialogues, then looking at that \$600 million number would be a
18 useful exercise. I'm afraid that if we don't have the opportunity to put that into the right
19 context, we, again, could be making decisions that aren't necessarily the right ones. So, I
20 think having a big-picture understanding of how prioritization is occurring or not, that's
21 really what we have to establish.

22
23 COUNCIL PRESIDENT ANDREWS:

24 I think Council Director Farber wanted to comment and then Councilmember Floreen.

25
26 COUNCIL DIRECTOR FARBER:

27 Yes, just to reiterate something Joe said and that Councilmember Trachtenberg
28 mentioned. What these numbers don't reflect is any further State Aid reductions in coming
29 year. In the current year, the Governor has used the figure 200 million. Some of that might
30 evolve to the counties. Nor does this current number reflect what the Governor's Fiscal '10
31 budget in January may have in store. That will be a function in part of what revenue
32 problems the State itself is facing. In addition, the next edition, the next snapshot of the
33 fiscal plan which, perhaps, will be in the early part of next year, depending on changes
34 that occur between now and then, we'll also be able to assess whether there's been
35 another leg down in the current economic problems the country faces and the county
36 faces. Hopefully, that won't be the case, but things have been so fluid and so fast-
37 changing that we'll want to take a look at that. There may be one factor that operates in
38 the opposite direction. As you know, President-elect Obama has been meeting today in
39 Philadelphia with the governors of both parties. They have been talking about two things,
40 two streams of revenue. One is a major infusion of infrastructure funding. The number 136
41 Billion has been mentioned. I know Councilmember Floreen has been cheerleading for
42 this for a long time, but that's for projects that are ready to go nationwide as part of a



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1 stimulus. That would help us on the capital side. It would not necessarily help us on the
2 operating side. But on the operating side, there's also a discussion with the governors and
3 the President-elect about what might be a \$40 billion infusion of cash to the states
4 basically to help pay Medicaid bills. And the impact that it might have for local
5 governments is that--to the extent that that helps mitigate states over all fiscal problems,
6 like the State of Maryland's problems--then that might mean less problem handed down to
7 the local jurisdictions. But that's a reach, it hasn't happened yet. Certainly, it wouldn't
8 happen for at least seven or eight weeks at the earliest. It's something that we should
9 keep an eye on because it might be at least one opportunity for some mitigation of
10 problems that the State of Maryland, like other states, might be passing down to local
11 jurisdictions.

12
13 COUNCIL PRESIDENT ANDREWS:

14 Okay. Variation of the transitive principle, right? If A doesn't hurt B, B doesn't hurt C.
15 Okay. Councilmember Floreen.

16
17 COUNCILMEMBER FLOREEN:

18 Thank you. Well, no doubt, well, we're going to stay tuned as to what further information
19 we receive from various levels of government. And I'm personally not optimistic at this
20 stage that we're going to see anything in the next month or two that is going to change for
21 the better for us. Hopefully, I'm wrong, but not too optimistic right now. I just wanted to
22 comment, Mr. President. I think we should get the word out to everyone in the county that
23 absolutely everything is going to be on the table for us as we work through this, and that
24 there is no sacred cow or sacrosanct area anymore. And that has got to be a message
25 that every agency, every organization hears loud and clear from us. So, I want to make
26 that suggestion to you. I think that should be our message and our approach.

27
28 COUNCIL PRESIDENT ANDREWS:

29 Yeah, I think that's what is coming out from this side, and I hope people are listening.
30 Everything is on the table, everything that moves and everything that doesn't move. And
31 so, that doesn't leave much in between. Councilmember Elrich?

32
33 COUNCILMEMBER ELRICH:

34 I just wanted to dovetail quickly on something that Valerie and Duchy touched upon. I
35 think at the end of this process, I don't want to be in a situation where, you know, things
36 get better and just everything that we took out automatically gets added back in, or that it's
37 only survivable if we maintain ourselves at maximum tax rates because, as we discovered
38 this year, we have zippo flexibility in being able to do anything in a downturn. And I think
39 that we've got to get into a situation where whatever budget we produce annually, the
40 level of spending that we anticipate is sustainable through a recession without deciding
41 how you're going to shrink and cut major services in government because we're going to
42 cut a lot of things that we really don't want to cut, but which we have to cut. And in the

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1 future, it seems to me, we ought to be in a position at least like they were in, I guess, the
2 stories of the early '90s when they had at least room in the taxes to deal with the
3 recession by, you know, raising revenues a little bit and not having to make as many
4 draconian cuts as otherwise might have to be made. And so, I think that's why I'm really
5 interested in not just nibbling around the edges and eliminating a person here or there
6 because it's just too easy to put that structure back together. It would be nice to be in a
7 position where whatever we end up out of this is something that we can say is going to
8 work. You know you're going to get a recession every three to five years. This isn't rocket
9 science. This is just American economics, and that's the way it's going to happen. And we
10 should not repeat this exercise. I mean, right now, we're in a situation where if we have to
11 keep our tax rates where they are, the next time this hits, it's going to be equally bad.
12 We've got to get out from under living right at the cap and then having nowhere to go but
13 take things out.

14
15 COUNCIL PRESIDENT ANDREWS:

16 All right. Thank you all. I think that does it for this, and I need a-- Any other comments?
17 No? Okay. All right, I need a-- Thank you all. Need a motion to close.

18
19 COUNCILMEMBER KNAPP:

20 I'll move that Council proceed to closed session for the purpose of considering acquisition
21 of real property for the public purpose and as is related directly to Maryland State
22 Government Article 10-508(a)(3). Topic is property use in addition to a letter of intent,
23 Executive order, and to obtain marked property.

24
25 COUNCIL PRESIDENT ANDREWS:

26 Okay, a motion by Councilmember Knapp. Is there a second? VICE PRESIDENT
27 BERLINER:
28 Second.

29
30 COUNCIL PRESIDENT ANDREWS:

31 Second by Vice President Berliner. All in favor of going into closed session, please raise
32 your hand. That is unanimous, I think. Is that unanimous? Okay. All right, we're going to
33 be in the 6th Floor Conference Room. See you down there.